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STAPLE**OS AA01**Statement of details of parent law and other  
information for an overseas company

Companies House

✓ **What this form is for**  
You may use this form to  
accompany your accounts  
disclosed under parent law.

✗ **What this form is NOT for**  
You cannot use this form for  
an alteration of name  
with accounting requirements.

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07/01/2023

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COMPANIES HOUSE

**Part 1 Corporate company name**Corporate name of  
overseas company ①

DELTA AIR LINES, INC.

UK establishment  
number

B R 0 0 1 2 4 6

→ **Filling in this form**Please complete in typescript or in  
bold black capitals.All fields are mandatory unless  
specified or indicated by \*① This is the name of the company in  
its home state.**Part 2 Statement of details of parent law and other  
information for an overseas company****A1 Legislation**Please give the legislation under which the accounts have been prepared and  
audited.

Legislation ②

SECURITIES EXCHANGE ACT OF 1934

② This means the relevant rules or  
legislation which regulates the  
preparation of accounts.**A2 Accounting principles**

Accounts

Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box.

☐ **No.** Go to **Section A3**.☒ **Yes.** Please enter the name of the organisation or other  
body which issued those principles below, and then go to **Section A3**.Name of organisation  
or body ③

US GAAP

③ Please insert the name of the  
appropriate accounting organisation  
or body.

# OS AA01


## Statement of details of parent law and other information for an overseas company

<b>A3 Audited accounts</b>	
Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to <b>Part 3 'Signature'</b>.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to <b>Part 3 'Signature'</b>.</p>
Name of organisation or body ❶	US GAAP

❶ Please insert the name of the appropriate accounting organisation or body.

### Part 3

### Signature

Signature	I am signing this form on behalf of the overseas company.	
	Signature	
	<input checked="" type="checkbox"/>  <input checked="" type="checkbox"/>	
This form may be signed by: Director, Secretary, Permanent representative.		

# OS AA01

## Statement of details of parent law and other information for an overseas company



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Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

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- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



### Important information

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-K



ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021  
or



TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-5424



DELTA AIR LINES, INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)  
Post Office Box 20706  
Atlanta, Georgia  
(Address of principal executive offices)

58-0218548  
(I.R.S. Employer Identification No.)

30320-6001  
(Zip Code)

Registrant's telephone number, including area code: (404) 715-2600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	DAL	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐  
Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2021 was approximately \$27.7 billion.

On January 31, 2022, there were outstanding 639,929,760 shares of the registrant's common stock.

This document is also available on our website at <http://ir.delta.com/>.

Documents Incorporated By Reference

Part III of this Form 10-K incorporates by reference certain information from the registrant's definitive Proxy Statement for its 2021 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission.



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Unless otherwise indicated or the context otherwise requires, the terms "Delta," "we," "us," and "our" refer to Delta Air Lines, Inc. and its subsidiaries.

#### FORWARD-LOOKING STATEMENTS

Statements in this Form 10-K (or otherwise made by us or on our behalf) that are not historical facts, including statements about our estimates, expectations, beliefs, intentions, projections or strategies for the future, may be "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from historical experience or our present expectations. Known material risk factors applicable to Delta are described in "Risk Factors Relating to Delta" and "Risk Factors Relating to the Airline Industry" in "Item 1A. Risk Factors" of this Form 10-K, other than risks that could apply to any issuer or offering. All forward-looking statements speak only as of the date made, and we undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this report.

Delta Air Lines, Inc. 2021 Form 10-K

## ITEM 1. BUSINESS

### General

As a global airline based in the U.S., we connect customers across our expansive global network. In 2019, prior to the onset of the COVID-19 pandemic, we served approximately 200 million customers and were the world's largest airline by total revenues and the most profitable with five consecutive years of \$5 billion or more in pre-tax income from 2015 through 2019. In 2020, we made significant adjustments to our network and operations as a result of the unprecedented and widespread impact of COVID-19 and the related travel restrictions and social distancing measures that significantly reduced demand for air travel.

We began restoring our network in 2021, as travel restrictions eased and vaccine programs became widespread both domestically and in international markets. As the year progressed, we saw a full return of domestic consumer travel to 2019 levels while business and international demand continued to lag. Despite this lag, business and international travel began to increase in the latter part of 2021, spurred in part by the U.S. government's lifting of restrictions in November 2021 that prevented travelers from entering the United States from a number of specifically-identified countries.

In 2021, we continued to demonstrate agility, operational excellence and discipline. We believe that we are well positioned to manage the continued challenges brought by the pandemic, even when considering new variants spreading globally, continued uncertainty linked to the full return of business travel and evolving international travel restrictions. More information about the effect of the COVID-19 pandemic on our business and our recovery can be found in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Our internet address is [www.delta.com](http://www.delta.com). Information contained on our website is not part of, and is not incorporated by reference in, this Form 10-K.

### Competitive Advantages and Brand Strength

We have five competitive advantages that support our trusted consumer brand, including our people and culture, our global network, our operational reliability, our customer loyalty and our financial foundation. Through the pandemic, we believe that we have strengthened our advantages and our brand. In 2021, we continued to have the world's most valuable airline brand.

#### *People and Culture*

Our people are our strongest competitive advantage. Our employees provide world-class travel experiences for our customers while also giving back to the communities where they live, work and serve. Throughout the pandemic, we were able to avoid involuntary furloughs of U.S. employees by providing voluntary separation and early retirement programs, voluntary unpaid leaves and other initiatives. We have prioritized the health and safety of our employees by implementing an extensive employee COVID-19 testing program, partnering with Georgia to host the state's largest COVID-19 vaccination site while steadily increasing the vaccination rate among our employees, providing pay protection programs for employees diagnosed with, exposed to or at high risk from COVID-19 and offering free flu shots for all U.S. employees. In February 2021, we hired a Chief Health Officer to reimagine our approach to health and well-being to accommodate the physical and mental health needs of our people. Delta was recognized by Glassdoor as one of its Best Places to Work for the sixth year in a row, ranking number 18 on the 2022 list of 100 large companies. The list is solely based on the input of employees who provide anonymous feedback on their daily jobs, benefits, interview experience and work environment. Being recognized on this list is a testament to Delta people and our culture.

#### *Global Network*

We and our alliance partners collectively serve over 130 countries and territories and over 800 destinations around the world. In 2019, prior to the onset of the COVID-19 pandemic, we offered more than 5,000 daily departures and as many as 15,000 affiliated departures including the premier SkyTeam alliance, of which Delta is a founding member. At the end of 2021, we offered more than 4,000 daily departures and approximately 5,500 affiliated departures as we began restoring our network.

### *Item 1. Business*

Our domestic network is centered around core hubs in Atlanta, Minneapolis-St. Paul, Detroit and Salt Lake City. Core hubs have strong local passenger share, a high penetration of customers loyal to Delta, competitive cost position and strong margins. Core hub positions complement strong coastal hub positions in Boston, Los Angeles, New York-LaGuardia, New York-JFK and Seattle. Coastal hubs provide a strong presence in large revenue markets and enable growth in premium products and international service. We are elevating the customer experience in key markets by deploying our newest aircraft and products and by accelerating generational airport investments. We opened a new facility at Salt Lake City in 2021 and expect to open new facilities at New York-LaGuardia, Los Angeles and Seattle in 2022. In addition to our domestic mainline operations, we have agreements with domestic regional carriers that operate as Delta Connection® to feed traffic to our domestic hubs.

Internationally, we have significant hubs and market presence in Amsterdam, London-Heathrow, Mexico City, Paris-Charles de Gaulle and Seoul-Incheon. As we continue our recovery from the impact of the COVID-19 pandemic, we expect to continue to evaluate and adjust our operations to address evolving conditions. Although our international operations have been substantially curtailed since March 2020 as a result of the COVID-19 pandemic, we have continued to serve Transatlantic, Transpacific and Latin America markets directly on Delta and through joint ventures with global airline partners. In 2021, we restored approximately 50% of capacity in international markets, but do not expect our international network to be fully restored to 2019 levels until 2023.

Through innovative alliances with Aeroméxico, Air France-KLM, China Eastern, Korean Air and Virgin Atlantic, and an alliance pending regulatory approval with LATAM Airlines Group S.A. ("LATAM"), we seek to bring more choice to customers worldwide. Our strategic relationships with these international airlines are an important part of our business as they improve our access to markets around the world and enable us to provide customers a more seamless global travel experience across our alliance network. The most significant of these arrangements are commercial joint ventures that include joint sales and marketing coordination, co-location of airport facilities and other commercial cooperation arrangements. In some cases, we have reinforced strategic alliances through equity investments where we have opportunity to create deep relationships and maximize commercial cooperation. For additional information about the effect of the COVID-19 pandemic on our investments in these airlines, see Note 4 of the Notes to the Consolidated Financial Statements.

Our global network is supported by a fleet of approximately 1,200 aircraft as of December 31, 2021 that are varied in size and capabilities, giving us flexibility to adjust aircraft to the network. Prior to the pandemic, we began refreshing our fleet by acquiring new and more fuel efficient aircraft with increased premium seating to replace older aircraft, and had begun to reduce our fleet complexity with fewer fleet types. We accelerated this fleet simplification strategy by retiring 227 aircraft in 2020, with plans to retire additional aircraft by 2025, though we remain flexible and may decide to fly certain aircraft beyond their planned retirement date, to the extent supported by demand. Our new aircraft are on average 25% more fuel efficient per seat mile than retiring aircraft.

### *Operational Reliability*

We remain committed to industry-leading reliability and are consistently among the industry's best performers. In 2021, we had a system-wide completion factor of 99.4%, with 88.0% of our domestic flights arriving on time as reported to the U.S. Department of Transportation, both of which, based on preliminary data, are expected to exceed the performance of our U.S.-based peers. This reliability was a key component in Delta being named the Top U.S. Airline of 2021 by the Wall Street Journal in its annual airline scorecard rankings, which tracks seven important operations and customer metrics among nine U.S. airlines. This achievement recognizes the consistent efforts of our people to safely deliver reliable, on-time service while providing exceptional service.

Following the onset of the COVID-19 pandemic, we intensified our focus on ensuring the health and safety of our customers, including the creation of our industry-leading cleanliness standards through the Global Cleanliness organization and the implementation of the Delta CareStandard<sup>SM</sup> to ensure a consistently safe and sanitized experience across our facilities and aircraft.

*Item 1. Business*  
*Customer Loyalty*

Over the last decade, we significantly improved the quality and reliability of our operations, and our customer satisfaction scores increased meaningfully as a result. With operational excellence, best-in-class service and a commitment to ensuring the health and safety of our customers, we have continued to earn our customers' trust and preference by delivering the "Delta Difference." In 2021, we were recognized as No. 1 in customer satisfaction among airlines in North America by J.D. Power, underscoring the professionalism, care and humanity that our people delivered during one of the most stressful periods for travel in modern history. We were also ranked No. 1 on Fortune Magazine's Most Admired Airline List for the tenth time in the past 11 years and named one of Fast Company's most innovative travel companies in 2021. In 2021, corporate travel professionals also rated us No. 1 in the annual Business Travel News Airline Survey for the 11th year in a row, citing our responsiveness to customers as well as our flexibility-minded approach throughout the pandemic and beyond. We believe our continued investment in customer service and experience, operations, product, airports and technology has shaped customer perception of our brand leading to increases in our domestic net promoter scores and increased customer loyalty compared to pre-pandemic levels. In 2021, customers demonstrated increased loyalty through higher levels of engagement with our SkyMiles program, our co-branded American Express card and use of our FlyDelta app, with remuneration from our co-branded American Express card nearly achieving 2019 levels for the full year and exceeding 2019 levels during the December 2021 quarter.

Our SkyMiles program is designed to attract lifetime members and grow customer loyalty by offering incentives to increase travel with us. Our award-winning program offers a wide variety of benefits including award travel and access to complimentary elite benefits and services when traveling with us and our partners. As our brand has strengthened, the SkyMiles program has seen an acceleration in membership growth. We believe there is opportunity to continue this trend as we seek to elevate our customer engagement through opportunities to earn and redeem mileage credits ("miles") as well as co-brand card offerings coupled with a strong customer experience. The SkyMiles program has a large, growing and premium membership base. This membership base has historically resulted in higher premium revenues and more resilient cash flows for us. SkyMiles has been widely recognized as a top loyalty program by external reviewers such as U.S. News and World Report and The Points Guy.

The SkyMiles program provides its members with the ability to earn miles when traveling on Delta, Delta Connection and our partner airlines. Miles may also be earned by using certain services offered by program partners, such as credit card companies, hotels, car rental agencies and ridesharing companies. To facilitate transactions with participating companies, we sell miles to non-airline businesses, customers and other airlines. Our most significant and valuable contract to sell miles relates to our co-brand credit card relationship with American Express. Miles may be used toward award redemptions such as flights and upgrades on Delta, our regional carriers and other participating airlines as well as donations with specific charities and more. In 2021, 10% of revenue miles flown on Delta were from award travel, as program members redeemed miles in the loyalty program for approximately 23 million award tickets.

*Financial Foundation*

In response to the effects of the COVID-19 pandemic, we raised significant amounts of liquidity in 2020 through the issuance of debt securities or through bilateral and syndicated secured and/or unsecured credit facilities and through the entry into sale-leaseback transactions. Our capital raising efforts were aided by the strength of our balance sheet prior to the pandemic. Restoring the strength of our balance sheet and reducing debt is a key financial priority. During 2021, we executed on our financial priority of stabilizing the business on the path to restoration and recovery. Since October 2020, we have made progress in restoring our balance sheet by reducing our debt by approximately \$12 billion and voluntarily contributing \$1.5 billion to our pension plans. We continue to be disciplined in managing non-fuel costs. We are efficiently rebuilding the airline, capturing fleet renewal benefits and driving operating leverage that we expect to produce a competitive cost structure. We expect that our unit revenue premium to the industry and competitive cost structure will support industry-leading margins and strong operating cash flow.

## Item 1. Business

### Expanded Products and Diversified Revenue Streams

In addition to our competitive advantages, Delta continues to differentiate itself from the industry through expanded products, diversified revenue streams and investments in technology.

Over the last decade we have fundamentally transformed our business by investing in our people, our product and our reliability to alter the commodity-like nature of air travel. We have a retail-oriented, merchandised approach to distribution with well-defined and differentiated products for our customers. Through improved product segmentation, we offer distinct travel experiences with clear value propositions that enable customer choice and include exceptional service onboard our aircraft. In 2021, approximately one-third of our passenger revenue was from premium products, which include Delta One®, Delta Premium Select, First Class and Delta Comfort+®. Main Cabin products, including Basic Economy, represented approximately half of our passenger revenue in 2021. We derive the remainder of our passenger revenue from loyalty travel awards and travel-related services.

Our tickets are sold through various distribution channels, with 64% of tickets sold through direct channels in 2021. These include digital channels, such as delta.com and the Fly Delta app, and our reservations specialists where we deliver more direct, personalized interactions with our customers at reduced distribution costs. Indirect distribution channels include online travel agencies and traditional "brick and mortar" agencies. We make fare and product information widely available across those channels in an effort to ensure customers receive the best information and service options.

We continue to implement merchandising initiatives across our distribution channels to allow customers to better understand our product offerings, make it easier to buy the products they desire and increase customer satisfaction. This merchandising effort is most effective in Delta's digital channels where customers can compare all product options in a single, easy to understand display.

In recent years, we have diversified revenue streams beyond the basic sale of an airline ticket in an effort to reduce the impact of cyclicalities and other reductions in air travel demand on our results. Our partnership with American Express provides us a co-brand revenue stream tied to broader consumer spending. Our continued focus on premium products and customer segmentation enhanced our revenue growth prior to the pandemic and reduced reliance on the most price sensitive customer segment, a differentiator that we believe has benefited us during the pandemic. We also maintain complementary portfolio businesses, such as our cargo business, which has grown significantly during the pandemic, and our Maintenance, Repair and Overhaul ("MRO") operation, where we believe we remain well positioned for growth through contractual agreements with jet engine manufacturers.

### Cargo

Through our global network, our cargo operations are able to connect the world's major freight gateways. We have historically generated cargo revenues in domestic and international markets through the use of cargo space on regularly scheduled passenger aircraft. In 2020, following the onset of the COVID-19 pandemic, reduced industry cargo capacity drove a significant increase in our cargo yield, and we also generated cargo revenue through the operation of cargo-only charter flights (i.e., using aircraft in our fleet not being utilized for passenger travel to fly cargo internationally). This trend continued in 2021, and we would expect capacity constraints and elevated market yields to continue through 2022 while the industry rebuilds international networks to pre-pandemic levels. We are a member of SkyTeam Cargo, an international airline cargo alliance with ten other airlines that offer a network spanning six continents, through which we provide global solutions to our customers by connecting our network with those partners.

### Other Complementary Businesses

We have various other businesses arising from our airline operations, including the following:

- In addition to providing maintenance and engineering support for our fleet of approximately 1,200 mainline and regional aircraft, our MRO operation, known as Delta TechOps, serves aviation and airline customers from around the world.
- Our vacation wholesale subsidiary, Delta Vacations, provides vacation packages to third-party consumers.

In 2021, the total revenue from our MRO operation and Delta Vacations was approximately \$800 million.

## Item 1. Business

### Innovative Technology Investments to Improve Service and Efficiency

Our objective is to make technology a strategic differentiator. We continue to invest in technological improvements that support our operations and provide tools for our employees. These investments include improvements to infrastructure and technology architecture to unify and improve access to data sources and continuing innovations to customer facing applications. We believe this digital transformation enhances interactions with our customers and allows our people to deliver more personalized service, further enhancing the customer experience and strengthening our brand.

Through the development of innovative new technologies, we can better serve customers and give our employees the best tools. For our customers, we are making investments in the digital platforms, in the airport and onboard our aircraft. We are evolving the Fly Delta app into a digital travel concierge for our customers to offer convenient services on the day of travel and deliver thoughtful notifications to make their travel journeys more seamless. In the airport, we are investing to create a smoother, less stressful and increasingly contactless travel experience. Onboard the aircraft, we continue to invest in in-flight entertainment with free messaging and improved Wi-Fi connectivity. As of December 31, 2021, approximately 95% of our mainline aircraft were equipped with seat-back screens. For our employees, we are investing in applications that allow our people to have more meaningful interactions with our customers, as well as tools to make our employees safer and better able to do their jobs.

### Commercial Arrangements with Other Airlines

We have marketing alliances with other airlines to enhance our access to domestic and international markets.

*Joint Venture Agreements.* We have implemented three separate joint venture arrangements with foreign carriers, each of which has been granted antitrust immunity from the U.S. Department of Transportation ("DOT"). We have sought to reinforce a number of the agreements through equity investments in those carriers. As described in Note 4 of the Notes to the Consolidated Financial Statements, although we continue to hold the equity investments referenced below, we reduced the carrying value of our investments in Virgin Atlantic, Grupo Aeroméxico and LATAM to zero during 2020 and the carrying values remain at zero as of December 31, 2021. During 2021, we announced additional investments in each of these carriers, which, with respect to LATAM and Grupo Aeroméxico, remain subject to completion of their respective reorganizations and related terms, conditions and approvals.

Each of our joint venture arrangements provides for joint commercial cooperation with the relevant partner within the geographic scope of the arrangement, including the sharing of revenues and/or profits and losses generated by the parties on the joint venture routes; as well as joint marketing and sales, coordinated pricing and revenue management, network and schedule planning and other coordinated activities with respect to the parties' operations on joint venture routes. Our implemented commercial joint ventures consist of the following:

- A combined joint venture with Air France, KLM and Virgin Atlantic with respect to transatlantic traffic flows. In addition to the joint venture, we own a non-controlling 49% equity stake in Virgin Atlantic Limited, the parent company of Virgin Atlantic Airways and a 6% ownership stake in the parent company of Air France and KLM.
- A joint venture with Aeroméxico with respect to trans-border traffic flows between the U.S. and Mexico, which the court has approved for Aeroméxico to assume as part of its bankruptcy proceedings. In addition to the joint venture, we currently own a non-controlling 51% equity stake in Grupo Aeroméxico, S.A.B. de C.V., the parent company of Aeroméxico. Upon, and subject to, completion of Grupo Aeroméxico's restructuring process, we expect to acquire an approximately 20% equity stake in Grupo Aeroméxico. We and Aeroméxico have also established a joint venture relating to an airframe MRO operation located in Querétaro, Mexico.
- A joint venture with Korean Air with respect to traffic flows between the United States and certain countries in Asia. In addition to the joint venture, we own an approximately 13% equity stake in Hanjin-KAL, the largest shareholder of Korean Air.



### *Item 1. Business*

In 2019, we entered into a framework agreement with LATAM to form a strategic alliance. Pursuant to that agreement, we acquired an approximately 20% equity stake in LATAM in January 2020 and made certain agreed-upon transition payments to LATAM. As part of our planned strategic alliance with LATAM, we also assumed 10 of LATAM's A350 purchase commitments with Airbus S.A.S. for deliveries through 2025. In May 2020, we signed a trans-American joint venture agreement with LATAM that, subject to regulatory approvals, will combine our highly complementary route networks between North and South America, with the goal of providing customers a seamless travel experience and industry-leading connectivity. As a result of the COVID-19 pandemic, LATAM initiated a voluntary proceeding to reorganize under U.S. bankruptcy laws in which it has assumed the joint venture agreement. Upon, and subject to, completion of LATAM's restructuring process, we expect to acquire an approximately 10% equity stake in LATAM.

*Enhanced Commercial Agreements with China Eastern.* We own a 2% equity interest in China Eastern, with whom we have a strategic joint marketing and commercial cooperation arrangement covering traffic flows between China and the U.S., which includes reciprocal codesharing, loyalty program participation, airport lounge access and joint sales cooperation.

*SkyTeam.* In addition to our marketing alliance agreements with individual foreign airlines, we are a member of the SkyTeam global airline alliance. The other members of SkyTeam are Aeroflot, Aerolíneas Argentinas, Aeroméxico, Air Europa, Air France, China Airlines, China Eastern, Czech Airlines, Garuda Indonesia, ITA Airways, Kenya Airways, KLM, Korean Air, Middle East Airlines, Saudia, TAROM, Vietnam Airlines and Xiamen Airlines. Through alliance arrangements with other SkyTeam carriers, we are able to link our network with the route networks of the other member airlines, providing opportunities to increase connecting traffic while offering enhanced customer service through reciprocal codesharing and loyalty program participation, airport lounge access and cargo operations.

### *Regional Carriers*

We have air service agreements with domestic regional air carriers that feed traffic to our route system by serving passengers primarily in small and medium-sized cities in the domestic market. These arrangements enable us to better match capacity with demand in these markets.

Through our regional carrier program, Delta Connection®, we have contractual arrangements with regional carriers to operate aircraft using our "DL" designator code. We currently have contractual arrangements with:

- Endeavor Air, Inc., a wholly owned subsidiary of ours.
- Republic Airline, Inc. ("Republic").
- SkyWest Airlines, Inc. ("SkyWest Airlines").

Our contractual agreements with regional carriers are primarily capacity purchase arrangements, under which we control the scheduling, pricing, reservations, ticketing and seat inventories for the regional carriers' flights operating under our "DL" designator code. We are entitled to all ticket, cargo, mail, in-flight and ancillary revenues associated with the flights under these capacity purchase arrangements. We pay those airlines an amount, as defined in the applicable agreement, which is based on a determination of their cost of operating those flights and other factors intended to approximate market rates for those services. These capacity purchase agreements are long-term agreements, usually with initial terms of at least ten years, which grant us the option to extend the initial term. Certain of these agreements provide us the right to terminate the entire agreement, or in some cases remove some of the aircraft from the scope of the agreement, for convenience at certain future dates.

SkyWest Airlines operates some flights for us under a revenue proration agreement. This proration agreement establishes a fixed dollar or percentage division of revenues for tickets sold to passengers traveling on connecting flight itineraries.

*Item 1. Business*  
Environmental Sustainability

During 2021, we built on our previously announced plan to invest \$1.0 billion through the end of 2030 toward airline carbon neutrality (the “\$1.0 billion airline carbon neutrality goal”) by announcing our intention to set new climate goals that are aligned with the applicable framework of the Science Based Targets initiative (“SBTi”):

- **Medium-term goal:** Reducing emissions intensity by 2035 as compared to 2019, based on jet fuel emissions of greenhouse gases (“GHGs”) in accordance with SBTi guidance for the aviation industry, and in line with the Paris Agreement’s goal of limiting global warming to well below two degrees Celsius above pre-industrial levels.
- **Long-term goal:** Achieving net zero GHG emissions across the airline operation and its value chain (Scopes 1, 2 and 3) no later than 2050, as outlined by the SBTi Net Zero Standard Criteria.

We have submitted both goals to SBTi for validation, but we are unable to predict the outcome of that process and when it will be completed.

The global aviation industry is viewed as a hard-to-abate sector, meaning it is innately difficult to decarbonize. We expect our path toward achievement of these ambitious climate goals to include the following levers, with the fleet and fuel levers expected to play the most significant roles:

- **Fleet:** Currently, fleet renewal provides the largest impact on reducing emissions and emissions intensity. In 2020, we retired more than 200 of our less efficient aircraft ahead of schedule, improving emissions intensity and fuel efficiency on an available seat mile (“ASM”) basis in 2020 and 2021, as compared to 2019. We expect our fleet renewal plans to continue to improve fuel efficiency in future periods.
- **Fuel:** Sustainable aviation fuel (“SAF”) is central to reducing the lifecycle emissions from aviation fuel; however, it is not currently available at the scale or cost necessary to meet the industry’s needs. We have established a goal of replacing 10% of our jet fuel consumption with SAF by the end of 2030, which we expect to require at least 400 million gallons of SAF annually. At the end of 2021, Delta had agreements in place with multiple suppliers for an aggregate of 81 million gallons of SAF annually beginning in 2023, subject to third-party investment and timely facility development.
- **Operational Initiatives:** Delta is launching a cross-functional senior leadership team, through a group known as the Carbon Council, to execute and track operational initiatives to reduce jet fuel consumption and improve our emissions intensity. This work supplements industry-wide efforts to modernize the air traffic control system, which would allow for more fuel efficient and therefore less carbon intensive flying.
- **Technological Innovation:** We plan to evaluate emerging technologies, such as synthetic hydrocarbon fuels, direct air capture and carbon capture and sequestration to support our efforts to achieve our climate goals.
- **Carbon Offsets:** In the near term and subject to market dynamics, Delta plans to continue the purchase and retirement of verified carbon offsets in support of our \$1.0 billion airline carbon neutrality goal.

These ambitious goals will require significant capital investment by Delta and third parties, government policies and incentives, research and development from manufacturers and other stakeholders and transformation of some of the world’s largest industries. Delta is committed to engaging our stakeholders and building coalitions to help drive down cost and increase production and consumption of alternative fuels and new technologies, and we recently hired the airline industry’s only C-Suite level Chief Sustainability Officer to lead the continuing development of our climate strategy and transition plan. We have joined aviation industry-specific and broader coalitions in an effort to accelerate our climate goals and to influence climate and sustainability policy development. For example, within the aviation industry, Delta serves on the steering committee for Clean Skies for Tomorrow, which is focused on bringing SAF to scale faster by putting in place key processes and sending strong demand signals to the market.

Community Engagement

As we connect people with communities, experiences and each other, we are committed to doing our part to build a better world. Giving back to the communities where we live, work and serve is part of our culture at Delta, and we focus our efforts in the community on four pillars of support: Environment, Equity, Education and Entire Well-being.

### *Item 1. Business*

In 2021, Delta people continued to demonstrate their commitment to serving their community, even during a pandemic. Delta people donated 11,347 pints of blood, making Delta the No. 1 American Red Cross corporate blood drive sponsor for the fourth straight year. Our people helped build the 276th home built by Delta volunteers with Habitat for Humanity and built two playgrounds with The Trust for Public Land. Delta TechOps employees donated and assembled a record 1,250 bikes and collected 20 boxes of toys in partnership with Toys for Tots in addition to Delta's \$550,000 contribution to the organization to help make the holidays brighter for families in need.

As part of our commitment to equity, Delta launched a partnership with UNCF in 2021 to provide funding for their Emergency Student Aid program with a contribution of \$500,000 dedicated to Degree Completion Aid and Emergency Retention Grants to assist students in need of emergency funding to be able to graduate. Delta also sponsors UNCF chapters in Atlanta, Boston, Detroit, Los Angeles, Minneapolis and New York.

### *Employee Matters*

#### *Human Capital and Commitment to Diversity, Equity and Inclusion*

We believe that Delta people are our strongest competitive advantage, and the high-quality service that they provide sets us apart from other airlines. As of December 31, 2021, we had approximately 83,000 full-time employee equivalents, of which approximately 81,000 were based in the U.S. In 2021, as our business began to recover from the impact of the COVID-19 pandemic, we hired approximately 11,000 new full-time employees across our business, including pilots, flight attendants, and gate and reservation agents.

Our principal human capital management objectives are to attract, retain and develop people who understand and are committed to delivering the "Delta Difference" that is core to our brand. To support these objectives, we have put in place programs that seek to:

- Prepare our employees for key roles and future leadership positions through a variety of training and development programs.
- Reward our people through highly competitive total compensation and benefit programs designed to share our success, promote teamwork and foster our people's physical, emotional, social and financial well-being.
- Enhance our culture through efforts aimed at making our workplace more engaging, equitable and inclusive.
- Drive employees' professional and community engagement.

The health and safety of our employees is foundational to achieving these objectives. We have long led the airline industry in employee safety and seek to achieve world-class personal safety performance. We have prioritized the health and safety of our employees by offering an extensive employee COVID-19 testing program, partnering with Georgia to host the state's largest COVID-19 vaccination site while steadily increasing the vaccination rate among our employees, providing pay protection programs for employees diagnosed with, exposed to or at high risk from COVID-19 and offering free flu shots for all U.S. employees.

Our commitment to diversity, equity and inclusion is critical to effective human capital management at Delta. As a global airline, we are in the business of bringing people together, and we believe our business should reflect the diversity of our customer base. To achieve this goal, we seek diverse talent internally and externally in an effort to achieve broader representation throughout our organization. We also promote inclusion through education, training and development opportunities as well as by leveraging insights from our ten employee resource groups, which we refer to as business resource groups, totaling membership of more than 25,000 as of December 31, 2021. During 2021, we offered enhanced inclusion training to our employees, with more than 62,000 employees participating. We also invested in our leadership's equity education and understanding with nearly 30% of officers participating in a two-day racial equity workshop in 2021 and the remaining officers slated to participate by the end of 2022. In addition, we are reviewing and revising systems, practices and policies in support of our commitment to diversity, equity and inclusion and with a focus on achieving equitable outcomes. Two key areas on which we are focused are (1) reinforcement of our diverse talent pipeline by, among other things, requiring hiring candidate slates and interview panels to reflect diversity and creating new pathways to certain roles by removing college degree requirements, and (2) closing diversity gaps in senior leadership positions by increasing the representation of women, Black and other ethnic minority groups in those roles, including doubling the number of Black officers and director-level employees by 2025 as compared to 2020.

### Item 1. Business

We believe that listening, engaging and connecting with employees furthers our human capital management objectives. We have historically done so primarily through our open-door policy, digital communication across all levels of the company, in-person events with senior management and company-wide and division-specific surveys to evaluate employee satisfaction. Since the onset of the pandemic, senior management has participated in regular company-wide town hall discussions with our employees and our senior executive leadership team has regularly shared memos with all employees regarding our ongoing commitment to our people and our culture. We have also continued to conduct periodic employee surveys to seek feedback on engagement levels in general, our well-being programs, diversity, equity and inclusion efforts and our culture of safety.

### Collective Bargaining

As of December 31, 2021, 20% of our approximately 83,000 full-time equivalent employees were represented by unions.

#### Domestic airline employees represented by collective bargaining agreements by group

Employee Group	Approximate Number of Employees Represented	Union	Date on which Collective Bargaining Agreement Becomes Amendable
Delta Pilots	13,180	ALPA	December 31, 2019
Delta Flight Superintendents (Dispatchers)	380	PAFCA	November 1, 2024
Endeavor Air Pilots	1,900	ALPA	January 1, 2029
Endeavor Air Flight Attendants	1,480	AFA	March 31, 2025

We are in mediated discussions with the representative of the Delta pilots regarding terms of their amendable collective bargaining agreement under the auspices of the National Mediation Board ("NMB").

In addition to the domestic airline employee groups discussed above, approximately 180 refinery employees of our wholly owned subsidiary, Monroe Energy, LLC ("Monroe") are represented by the United Steel Workers under an agreement that expires on February 28, 2022. This agreement is governed by the National Labor Relations Act ("NLRA"), which generally allows either party to engage in self-help upon the expiration of the agreement. Certain of our employees outside the U.S. are represented by unions, work councils or other local representative groups.

Labor unions periodically engage in organizing efforts to represent various groups of our employees, including at our operating subsidiaries, that are not represented for collective bargaining purposes.

### Fuel

Our results of operations are significantly impacted by changes in the price and availability of aircraft fuel. We purchase most of our aircraft fuel under contracts that establish the price based on various market indices and therefore do not provide material protection against price increases or assure the availability of our fuel supplies. We also purchase aircraft fuel on the spot market, from off-shore sources and under contracts that permit the refiners to set the price. We are currently able to obtain adequate supplies of aircraft fuel, including fuel produced by Monroe or procured through the exchange of gasoline, diesel and other refined petroleum products ("non-jet fuel products") the refinery produces, and crude oil for Monroe's operations.

The following table shows our aircraft fuel consumption and costs, which were materially reduced in 2020 and 2021 in large part due to our reduced operations in response to the COVID-19 pandemic.

#### Fuel consumption and expense by year

Year	Gallons Consumed <sup>(1)</sup> (in millions)	Cost <sup>(1)(2)</sup> (in millions)	Average Price Per Gallon <sup>(1)(2)</sup>	Percentage of Total Operating Expense <sup>(1)(2)</sup>
2021	2,778	\$ 5,633	\$ 2.02	20 %
2020	1,935	\$ 3,176	\$ 1.64	11 %
2019	4,214	\$ 8,519	\$ 2.02	21 %

<sup>(1)</sup>Includes the operations of our regional carriers operating under capacity purchase agreements.

<sup>(2)</sup>Includes the impact of fuel hedge activity, refinery segment results and carbon offset costs.

*Item 1. Business*  
*Monroe Energy*

Our Monroe subsidiaries operate the Trainer refinery and related logistics assets located near Philadelphia, Pennsylvania. The facilities include pipelines and terminal assets that allow the refinery to supply jet fuel to our airline operations throughout the Northeastern U.S., including our New York hubs at LaGuardia and JFK. These companies are distinct from us, operating under their own management teams and with their own boards. We own Monroe as part of our strategy to mitigate the cost of the refining margin reflected in the price of jet fuel, as well as to maintain sufficiency of supply to our New York operations.

*Refinery Operations.* The facility is capable of refining approximately 200,000 barrels of crude oil per day. Monroe sources domestic and foreign crude oil supply from a variety of providers. During 2021, the refinery progressively increased operations, ending the year near pre-pandemic levels. Additionally, due to the decrease in demand for jet fuel, the refinery has shifted production to produce more non-jet fuel products.

*Strategic Agreements.* Monroe has agreements in place to exchange the non-jet fuel products the refinery produces with third parties for jet fuel consumed in our airline operations.

*Environmental Sustainability.* Delta is evaluating operational pathways for integrating Monroe into a net zero future. Monroe's sustainability ambitions include being one of the most energy efficient refineries in the country with the lowest energy intensity and GHG emissions on an absolute and per barrel basis. For example, Monroe is implementing a plan to replace steam driven turbines that currently power pumps at the facility with more efficient and reliable electric motors, which will reduce the amount of steam required from the facility's natural gas-fired boilers. Monroe is also recovering and utilizing methane, a potent GHG, instead of flaring it to the atmosphere. Finally, in support of Delta's 10% SAF goal, Monroe is evaluating the possibility of producing SAF and other renewable fuels at the Trainer refinery, although additional analyses must be conducted to determine economic and operational viability of various SAF production pathways.

*Fuel Hedging Program*

Our derivative contracts to hedge the financial risk from changing fuel prices are primarily related to Monroe's inventory. We may utilize different contract and commodity types in this program and frequently test their economic effectiveness against our financial targets. We closely monitor the hedge portfolio and rebalance the portfolio based on market conditions, which may result in locking in gains or losses on hedge contracts prior to their settlement dates.

*Competition*

The airline industry is highly competitive, marked by significant competition with respect to routes, fares, schedules (both timing and frequency), operational reliability, services, products, customer service and loyalty programs. The industry has evolved through mergers and new entry, both domestically and internationally, and evolution in international alliances. Consolidation in the airline industry, the presence of subsidized government sponsored international carriers, changes in international alliances and the creation of immunized joint ventures have altered, and will continue to alter, the competitive landscape in the industry, resulting in the formation of airlines and alliances with significant financial resources, extensive global networks and competitive cost structures.

*Domestic*

Our domestic operations are subject to significant competition from traditional network carriers, including American Airlines and United Airlines, national point-to-point carriers, including Alaska Airlines, JetBlue Airways and Southwest Airlines, and other discount or ultra-low-cost carriers, including Spirit Airlines, Frontier Airlines and Allegiant Air, some of which may have lower costs than we do and provide service at low fares to destinations served by Delta. In particular, we face significant competition at our domestic hubs and key airports either directly at those airports or at the hubs of other airlines that are located in close proximity. We also face competition in smaller to medium-sized markets from regional jet operations of other carriers.

*International*

Our international operations are subject to competition from both foreign and domestic carriers, including from point-to-point carriers on certain international routes. Through alliance and other marketing and codesharing agreements with foreign carriers, U.S. carriers have increased their ability to sell international transportation, such as services to and beyond traditional European and Asian gateway cities. Similarly, foreign carriers have obtained increased access to interior U.S. passenger traffic beyond traditional U.S. gateway cities through these relationships.

### *Item 1. Business*

In particular, several joint ventures among U.S. and foreign carriers, including several of our joint ventures as well as those of our competitors, have received grants of antitrust immunity allowing the participating carriers to coordinate schedules, pricing, sales and inventory. In addition, alliances formed by domestic and foreign carriers, including SkyTeam, the Star Alliance (among United Airlines, Lufthansa German Airlines, Air Canada and others) and the oneworld alliance (among American Airlines, British Airways, Qantas and others) have enhanced competition in international markets.

### *Regulatory Matters*

The DOT and the Federal Aviation Administration (the "FAA") exercise regulatory authority over air transportation in the U.S. The DOT has authority to issue certificates of public convenience and necessity required for airlines to provide air transportation. An air carrier that the DOT finds fit, willing, and able to perform the proposed service is given authority to operate domestic and international air transportation (including the carriage of passengers and cargo), as applicable. Since the passage of the Airline Industry Deregulation Act in 1978, airlines have generally been free to launch or terminate service to U.S. airports without restriction, except with respect to certain slot-controlled and schedule-facilitated airports, as well as certain constraints related to service to small communities governed by the "Essential Air Services" program. The Coronavirus Aid, Relief, and Economic Security Act of 2020 (the "CARES Act") created certain continuation of service obligations in connection with the receipt of payroll support program funds by passenger airlines. Specifically, the DOT has the authority until March 1, 2022 to require airlines that received such funds to maintain scheduled air service deemed necessary to any point served by the airline before March 1, 2020. The DOT has issued several orders mandating such service, the most recent of which was finalized on April 29, 2021, mandating service levels through September 30, 2021, subject to certain definitions and exceptions as described in the order.

The DOT has jurisdiction over certain economic and consumer protection matters, such as unfair or deceptive practices and methods of competition, advertising, denied boarding compensation, baggage liability and disabled passenger transportation. The DOT also has authority to review certain joint venture agreements between domestic and international carriers. The DOT engages in regulation of economic matters such as transactions involving allocation of "slots" or similar regulatory mechanisms which limit the rights of carriers to conduct operations at airports where such mechanisms are in place. The FAA has primary responsibility for matters relating to the safety of air carrier flight operations, including airline operating certificates, control of navigable air space, flight personnel, aircraft certification and maintenance and other matters affecting air safety.

Authority to operate international routes and international codesharing arrangements is regulated by the DOT and by the governments of the foreign countries involved. International certificate authorities are also subject to the approval of the U.S. President for conformance with national defense and foreign policy objectives.

The Transportation Security Administration and the U.S. Customs and Border Protection, each a division of the Department of Homeland Security, are responsible for certain civil aviation security matters, including passenger and baggage screening at U.S. airports and international passenger prescreening prior to entry into or departure from the U.S.

Airlines are also subject to various other federal, state, local and foreign laws and regulations. For example, the U.S. Department of Justice has jurisdiction over some airline competition matters. The U.S. Postal Service has authority over certain aspects of the transportation of mail. Labor relations in the airline industry, as discussed below, are generally governed by the Railway Labor Act with oversight by the NMB. Environmental matters are regulated by various federal, state, local and foreign governmental entities. Privacy of passenger and employee data is regulated by domestic and foreign laws and regulations.

### *Fares and Rates*

Airlines set ticket prices in all domestic and most international city-pairs with minimal governmental regulation, and the industry is characterized by significant price competition. Certain international fares and rates are subject to the jurisdiction of the DOT and the governments of the foreign countries involved. Many of our tickets are sold by travel agents, and fares are subject to commissions, overrides and discounts paid to travel agents, brokers and wholesalers.

*Item 1. Business*  
*Route Authority*

Our flight operations are authorized by certificates of public convenience and necessity and also by exemptions and limited-entry frequency awards issued by the DOT. The requisite approvals of other governments for international operations are controlled by bilateral agreements (and a multilateral agreement in the case of the U.S. and the European Union) with, or permits or approvals issued by, foreign countries. Because international air transportation is governed by bilateral or other agreements between the U.S. and the foreign country or countries involved, changes in U.S. or foreign government aviation policies could result in the alteration or termination of such agreements, diminish the value of our international route authorities or otherwise affect our international operations. Bilateral agreements between the U.S. and various foreign countries that we serve are subject to renegotiation from time to time. The U.S. government has negotiated "Open Skies" agreements with many countries, which allow unrestricted access between the U.S. and these foreign markets.

Certain of our international route authorities are subject to periodic renewal requirements. We request extension of these authorities when and as appropriate. While the DOT usually renews temporary authorities on routes where the authorized carrier is providing a reasonable level of service, there is no assurance this practice will continue in general or with respect to a specific renewal. Dormant route authorities may not be renewed in some cases, especially where another U.S. carrier indicates a willingness to provide service.

*Airport Access*

Operations at three major domestic airports and certain foreign airports that we serve are regulated by governmental entities through allocations of "slots" or similar regulatory mechanisms. Each slot represents the authorization to land at or take off from the particular airport during a specified time period.

In the U.S., the FAA currently regulates the allocation of slots, slot exemptions, operating authorizations or similar capacity allocation mechanisms at Reagan National in Washington, D.C. and LaGuardia and JFK in the New York City area. Our operations at these airports generally require the allocation of slots or analogous regulatory authorizations. Similarly, our operations at London's Heathrow airport, Tokyo's Haneda airport and other international airports are regulated by local slot coordinators pursuant to the International Air Transport Association's Worldwide Scheduling Guidelines and applicable local law. We currently have sufficient slots or analogous authorizations to operate our existing flights, and we have generally been able to obtain the rights to expand our operations and to change our schedules. There is no assurance, however, that we will be able to do so in the future because, among other reasons, such allocations are subject to changes in governmental policies.

*Airline Labor Regulation*

In the U.S., airlines and labor unions are governed by the Railway Labor Act. Under the Railway Labor Act, a labor union seeking to represent an unrepresented craft or class of employees is required to file with the NMB an application alleging a representation dispute, along with authorization cards signed by at least 50% of the employees in that craft or class. The NMB then investigates the dispute and, if it finds the labor union has obtained a sufficient number of authorization cards, conducts an election to determine whether to certify the labor union as the collective bargaining representative of that craft or class. A labor union will be certified as the representative of the employees in a craft or class if more than 50% of votes cast are for representation. A certified labor union would then commence negotiations toward a collective bargaining agreement with the employer.

Under the Railway Labor Act, a collective bargaining agreement between an airline and a labor union does not expire, but instead becomes amendable as of a stated date. Either party may request that the NMB appoint a federal mediator to participate in the negotiations for a new or amended agreement. If no agreement is reached in mediation, the NMB may determine, at any time, that an impasse exists and offer binding arbitration. If either party rejects binding arbitration, a 30-day "cooling off" period begins. At the end of this 30-day period, the parties may engage in "self-help," unless the U.S. President appoints a Presidential Emergency Board ("PEB") to investigate and report on the dispute. The appointment of a PEB maintains the "status quo" for an additional 60 days. If the parties do not reach agreement during this period, the parties may then engage in self-help. Self-help includes, among other things, a strike by the union or the imposition of proposed changes to the collective bargaining agreement by the airline. The U.S. Congress and the President have the authority to prevent self-help by enacting legislation that, among other things, imposes a settlement on the parties.

*Item 1. Business*  
*Environmental Regulation*

**Environmental Compliance Obligations.** Our operations are subject to numerous international, federal, state and local laws and regulations governing protection of the environment, including regulation of greenhouse gases and other air emissions, noise reduction, water discharges, aircraft drinking water, storage and use of petroleum and other regulated substances, and the management and disposal of hazardous waste, substances and materials.

We are also subject to certain environmental laws and contractual obligations governing the management and release of regulated substances, which may require the investigation and remediation of affected sites. Soil and/or ground water impacts have been identified at certain of our current or former leaseholds at several domestic airports. To address these impacts, we have a program in place to investigate and, if appropriate, remediate these sites. Although the ultimate outcome of these matters cannot be predicted with certainty, we believe that the resolution of these matters will not have a material adverse effect on our Consolidated Financial Statements.

**GHG Emissions.** Aviation industry GHG emissions, particularly carbon emissions, and their impact on climate change have become a focus in the international community and within the U.S. In 2016, the International Civil Aviation Organization ("ICAO") formally adopted a global, market-based emissions offset program known as the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA"). This program establishes a goal for the aviation industry to achieve carbon-neutral growth in international aviation beginning in 2021. Any growth above the baseline would need to be addressed using either eligible carbon offset credits or a lower carbon fuel. The baseline for establishing airlines' offset obligations under CORSIA was originally set as an average of 2019 and 2020 emissions. However, given the COVID-19 pandemic and resulting unprecedented reduction in international travel, ICAO removed 2020 from the baseline calculation for the first phases of CORSIA, from 2021 to 2027. ICAO has yet to decide how to apply the baseline beyond 2027. Some countries and other stakeholders, however, have advocated for reestablishing 2020 in the baseline and for using 2020 for the future baseline calculation, which, if adopted, would significantly increase the airline industry's projected obligations under the program and the cost of compliance.

A pilot phase of the CORSIA program runs from 2021 to 2023, followed by a first phase of the program beginning in 2024 and a second phase beginning in 2027. Countries can voluntarily participate in the pilot and first phase, and the United States agreed to participate in these voluntary phases. Participation in the second phase is mandatory for certain countries, including the United States. The U.S. government has not yet enacted legislation to mandate that U.S. operators participate in CORSIA. Nonetheless, Delta has voluntarily submitted verified emissions reports for our 2019 and 2020 international emissions.

Additionally, the European Union ("EU") requires its member states to implement regulations to include aviation in its Emissions Trading Scheme ("ETS"). Under these regulations, any airline with flights originating or landing in the European Economic Area ("EEA") is subject to the ETS and, beginning in 2012, was required to purchase emissions allowances if the airline exceeds the number of free allowances allocated to it under the ETS. The scope of the ETS has been narrowed so that it currently applies only to flights within the EEA through 2023 to align with the pilot phase of CORSIA. However, its scope may be expanded in the future. As a result of the UK's withdrawal from the EU, UK flights are no longer part of the EU ETS and will fall under a separate UK ETS scheme. UK ETS is applicable to UK domestic flights and flights from the UK to EEA countries.

In 2017, ICAO also adopted aircraft certification standards to reduce carbon dioxide ("CO<sub>2</sub>") emissions from new aircraft. The new aircraft certification standards applied to new fleet types in 2020 and will apply to in-production aircraft starting in 2023 but no later than 2028. These standards will not apply to existing in-service aircraft.

In 2016, the U.S. Environmental Protection Agency ("EPA") issued a final finding under the Clean Air Act that GHGs threaten the public health and welfare, and further determined that certain classes of aircraft engines cause or contribute to GHGs. The endangerment finding did not establish standards but triggered an obligation for the EPA to regulate GHG emissions from certain aircraft engines. In January 2021, the EPA finalized GHG emission standards for new aircraft engines designed to implement the ICAO standards on the same timeframe contemplated by ICAO. Like the ICAO standards, the final EPA standards would not apply to engines on in-service aircraft. The final standards have been challenged by several states and environmental groups. On November 15, 2021, the EPA announced that it plans to defend the current standards while simultaneously calling for ambitious new international CO<sub>2</sub> standards at the upcoming round of ICAO negotiations. The outcome of the legal challenge cannot be predicted at this time.



### *Item 1. Business*

The airline industry may face additional regulation of aircraft emissions in the U.S. and abroad and become subject to further taxes, charges or additional requirements to obtain permits or purchase allowances or emission credits for GHG emissions in various jurisdictions. For example, in 2021 the European Commission proposed legislation that could expand the reach of the EU ETS to include flights into and out of the EEA beginning in 2027 under certain circumstances, increase the stringency of the program, and establish a sustainable aviation fuel blending mandate for aviation fuel suppliers beginning in 2025, among other requirements. Individual EU member states have been developing their own requirements, including for example, a SAF mandate in France that will be phased in beginning in 2022. In the United States, various exploratory discussions continue around approaches to address climate change, such as carbon pricing, without a clear legislative path forward. Additional regulation could result in taxation, regulatory or permitting requirements from multiple jurisdictions for the same operations and significant costs for us and the airline industry. In addition to direct costs, such regulation could result in increased fuel costs passed through from fuel suppliers affected by any such regulations. Certain airports have also adopted, and others could in the future adopt, GHG emission or climate-related goals and requirements that could impact our operations or require us to make changes or investments in our infrastructure. We are monitoring and evaluating the potential impact of such developments.

*Noise.* The Airport Noise and Capacity Act of 1990 recognizes the rights of operators of airports with noise problems to implement local noise abatement programs so long as such programs do not interfere unreasonably with interstate or foreign commerce or the national air transportation system. This statute generally provides that local noise restrictions on Stage 3 aircraft first effective after October 1, 1990, require FAA approval. While we have had sufficient scheduling flexibility to accommodate local noise restrictions in the past, our operations could be adversely impacted if locally imposed regulations become more restrictive or widespread. In addition, foreign governments may allow airports to enact similar restrictions, which could adversely impact our international operations or require significant expenditures in order for our aircraft to comply with the restrictions.

*Refinery Matters.* Monroe's operation of the Trainer refinery is subject to numerous environmental laws and extensive regulations, including those relating to the discharge of materials into the environment, waste management, pollution prevention measures and greenhouse gas and other air emissions.

Under the Energy Policy Act of 2005, as expanded by the Energy Independence and Security Act of 2007, the Renewable Fuel Standard ("RFS") was created, setting up specific targets of renewable fuel to be used in the U.S. economy by mandating the blending of renewable fuels into gasoline and on-road diesel ("Transportation Fuels"). Renewable Identification Numbers ("RINs") are assigned to renewable fuels produced by or imported into the U.S. that are blended into Transportation Fuels to demonstrate compliance with this obligation. A refinery may meet its obligation under RFS by blending the necessary volumes of renewable fuels with Transportation Fuels, by purchasing RINs in the open market or through a combination of blending and purchasing RINs. Because Monroe is able to blend only a small amount of renewable fuels, it must purchase the majority of its RINs requirement in the secondary market. Market prices for RINs have been volatile, marked by periods of sharp increases and decreases primarily in response to speculation about what the EPA and/or the U.S. Congress will do with respect to compliance obligations. In December 2021, the EPA issued proposed RFS volume requirements for 2020, 2021 and 2022, which are expected to be finalized in the first half of 2022. The EPA has not finalized the compliance deadlines to retire our obligations for 2020 and 2021, but we expect those deadlines to be within one year of the effective date of the new RFS volume requirements.

### *Civil Reserve Air Fleet Program*

We participate in the Civil Reserve Air Fleet program (the "CRAF Program"), which permits the U.S. military to use the aircraft and crew resources of participating U.S. airlines during airlift emergencies, national emergencies or times of war. We have agreed to make available under the CRAF Program a portion of our international aircraft during the contract period ending September 30, 2022. The CRAF Program has only been activated three times since it was created in 1951, most recently in 2021 to support the military's effort to evacuate people from Afghanistan following the withdrawal of U.S. troops from the country. Delta played a central role in transporting 10,000 Afghan refugees that were evacuated from Afghanistan and delivering needed supplies.

*Item 1. Business*

Information About Our Executive Officers

*Edward H. Bastian, Age 64:* Chief Executive Officer of Delta since May 2016; President of Delta (September 2007 - May 2016); President of Delta and Chief Executive Officer Northwest Airlines, Inc. (October 2008 - December 2009); President and Chief Financial Officer of Delta (September 2007 - October 2008); Executive Vice President and Chief Financial Officer of Delta (July 2005 - September 2007); Chief Financial Officer of Acuity Brands (June 2005 - July 2005); Senior Vice President - Finance and Controller of Delta (2000 - April 2005); Vice President and Controller of Delta (1998 - 2000).

*Glen W. Hauenstein, Age 61:* President of Delta since May 2016; Executive Vice President - Chief Revenue Officer of Delta (August 2013 - May 2016); Executive Vice President - Network Planning and Revenue Management of Delta (April 2006 - July 2013); Executive Vice President and Chief of Network and Revenue Management of Delta (August 2005 - April 2006); Vice General Director - Chief Commercial Officer and Chief Operating Officer of Alitalia (2003 - 2005); Senior Vice President- Network of Continental Airlines (2003); Senior Vice President - Scheduling of Continental Airlines (2001 - 2003); Vice President Scheduling of Continental Airlines (1998 - 2001).

*Allison C. Ausband, Age 59:* Executive Vice President - Chief Customer Experience Officer of Delta since June 2021; Senior Vice President - In-Flight Service of Delta (September 2014 - May 2021); Vice President - Reservation Sales and Customer Care of Delta (January 2010 - September 2014).

*Alain Bellemare, Age 60:* President - International of Delta since January 2021; Chief Executive Officer of Bombardier (February 2015 - March 2020); President and Chief Executive Officer of United Technologies Corporation Propulsion & Aerospace Systems (June 2011 - February 2015).

*Peter W. Carter, Age 58:* Executive Vice President - Chief Legal Officer of Delta since July 2015; Partner of Dorsey & Whitney LLP (1999 - 2015), including co-chair of Securities Litigation and Enforcement practice group, chair of Policy Committee and chair of trial department.

*Daniel C. Janki, Age 53:* Executive Vice President - Chief Financial Officer of Delta since July 2021; Senior Vice President of General Electric Company (GE) and Chief Executive Officer of GE Power Portfolio (October 2020 - June 2021); Senior Vice President, Business and Portfolio Transformation of GE (2018 - 2020); Senior Vice President, Treasurer and Global Business Operations of GE (2014 - 2017); Senior Vice President, CEO of GE Energy Management (2012 - 2013).

*John E. Laughter, Age 51:* Executive Vice President - Chief of Operations of Delta since June 2021; Senior Vice President and Chief of Operations of Delta (October 2020 - June 2021); Senior Vice President - Flight Operations of Delta (March 2020 - October 2020); Senior Vice President - Corporate Safety, Security and Compliance of Delta (August 2013 - March 2020); Senior Vice President - Maintenance Operations of Delta (March 2008 - July 2013); Vice President - Maintenance of Delta (December 2005 - March 2008).

*Rahul Samant, Age 55:* Executive Vice President - Chief Information Officer of Delta since January 2018; Senior Vice President and Chief Information Officer of Delta (February 2016 - December 2017); Senior Vice President and Chief Digital Officer of American International Group, Inc. (January 2015 - February 2016); Senior Vice President and Global Head, Application Development and Management of American International Group, Inc. (September 2012 - December 2014); Managing Director of Bank of America (1999 - September 2012).

*Steven M. Sear, Age 56:* Executive Vice President - Global Sales of Delta since February 2016; Senior Vice President - Global Sales of Delta (December 2011 - February 2016); Vice President - Global Sales of Delta (October 2008 - December 2011); Vice President - Sales & Customer Care of Northwest Airlines, Inc. (June 2005 - October 2008).

*Joanne D. Smith, Age 63:* Executive Vice President and Chief People Officer of Delta since October 2014; Senior Vice President - In-Flight Service of Delta (March 2007 - September 2014); Vice President - Marketing of Delta (November 2005 - February 2007); President of Song (January 2005 - October 2005); Vice President - Marketing and Customer Service of Song (November 2002 - December 2004).

Additional Information

We make available free of charge on our website at [ir.delta.com](http://ir.delta.com) our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and amendments to those reports as soon as reasonably practicable after these reports are filed with or furnished to the Securities and Exchange Commission ("SEC"). Information on our website is not incorporated into this Form 10-K or our other securities filings and is not a part of those filings.

*Item 1A. Risk Factors*

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the following material risk factors applicable to Delta. As described below, these risks could materially affect our business, financial condition or results of operations in the future.

Risk Factors Relating to Delta

*The rapid spread of the COVID-19 virus, the continuing spread of its variants, the persistence of the resulting pandemic and measures implemented to combat it have had, and will continue to have, a material adverse effect on our business. It is possible that there will be future negative effects that we cannot presently predict, including near-term effects.*

The rapid spread of the COVID-19 virus in 2020 and variants of the virus in 2021, the persistence of the resulting pandemic, the measures governments and private parties have implemented in order to stem the spread of this pandemic, and the general concern about the virus among travelers have had, and are continuing to have, a material adverse effect on the demand for worldwide air travel compared to historical levels, and consequently upon our business. Among other effects of the COVID-19 pandemic affecting air travel and our business:

- In the United States, which is our primary market, the federal government discouraged travel and encouraged social distancing efforts and limits on gathering size for an extended period. In addition, state and local governments issued travel restrictions, quarantines and health-related curfews or “shelter in place” orders which dissuaded or restricted air travel.
- Numerous travel advisories and restrictions were implemented, some of which remain in place or have been reinstated, between the United States and specific countries, and many foreign governments have placed restrictions or quarantines on citizens of other countries, including citizens of the U.S., flying into their countries. For instance, the U.S. and numerous other countries have required and in some instances continue to require airline passengers to provide negative COVID-19 test results prior to travel into their countries.
- Employers in both the public and private sectors have issued instructions to employees to work from home and/or have otherwise dissuaded or restricted air travel.
- Business conventions and conferences, concerts and similar entertainment have been and occasionally continue to be cancelled. Many popular tourist destinations were closed, or operations curtailed. Significant sporting events were, and occasionally continue to be, cancelled or held with limited or no spectators.
- Travelers have been discouraged from air travel to destinations where COVID-19 is particularly virulent.
- Travelers may be dissuaded from flying due to possible enhanced COVID-19-related screening measures, which have been implemented to varying degrees and in different ways across multiple markets we serve, or due to the concern that additional travel restrictions implemented between their departure and return may affect their ability to return to their homes.

These effects related to the COVID-19 pandemic have negatively impacted air travel in general, which in turn has materially adversely affected our revenues, results of operations and financial condition. Although vaccines have generally proved to be effective and certain of the restrictions above have been eased in some places, the ongoing pandemic, including large outbreaks, resurgences of COVID-19 in various regions and appearances of new variants of the virus, has resulted, and may continue to result, in their reinstitution. The effectiveness of vaccines against future variants that may develop is also unknown. Moreover, additional currently unknown restrictions or other events dissuading air travel may occur in the future as a result of an increase in COVID-19 case levels or other factors related to the pandemic (including possibly in the near term), lengthening the negative effects of the pandemic on our business.

Our operations have been, and could in the future be, negatively affected further if our employees are quarantined or sickened as a result of exposure to COVID-19, or if they are subject to additional governmental COVID-19 curfews or “shelter in place” health orders or similar restrictions. Measures restricting the ability of our airport or in-flight employees to come to work negatively impact our service or operations, all of which could negatively affect our business.

### *Item 1A. Risk Factors*

In response to the crisis, we took steps to mitigate the effects on our business, which themselves may have negative consequences with respect to our business and operations. For example, we took cost-saving actions to significantly reduce our capacity in 2020 but were not able to eliminate all costs related to unused capacity. Ultimately, cost-saving measures that we implemented to date, or may consider in the future, have not made up, and will not in the future make up, for the loss in revenue as a result of decreased ticket sales and cancellations. In addition, to protect the safety of our employees and customers, we have implemented significant additional cleaning measures on all of our aircraft and at the airports in which we operate which have increased our costs.

We are unable to predict how long conditions related to the pandemic will persist. The overall situation remains fluid, and it is impossible to predict the timing of future material developments and whether they will occur in the near, medium or long term. At this time, we are also not able to predict the extent to which the COVID-19 pandemic may result in permanent changes to our customers' behavior, with such changes including but not limited to a permanent reduction in business travel as a result of increased usage of virtual meetings, and videoconferencing and teleconferencing products and more broadly, a general reluctance to travel, each of which could have a material impact on our business.

Collectively, the foregoing circumstances have had, and are continuing to have, a material adverse effect on our business, results of operations and financial condition. Future disease outbreaks or similar public health threats could have similar effects.

*We have a significant amount of fixed obligations and incurred significant amounts of new debt in a short period in response to the COVID-19 pandemic. Insufficient liquidity may have a material adverse effect on our financial condition and business.*

We have a significant amount of existing fixed obligations, including aircraft lease and debt financings, leases of airport property and other facilities, and other material cash obligations. In addition, we have substantial commitments for capital expenditures.

We had approximately \$14.2 billion in cash, cash equivalents, short-term investments and aggregate principal amount committed and available to be drawn under our revolving credit facilities ("liquidity") as of December 31, 2021; however, our future liquidity could be negatively affected by the risk factors discussed in this Form 10-K, and in other filings we may make from time to time with the SEC. If our liquidity is materially diminished, we might not be able to timely pay our leases and debts or comply with certain financial covenants in our financing and credit card processing agreements or with other material provisions of our contractual obligations.

*Agreements governing our debt, including our credit facilities and our SkyMiles financing agreements, include financial and other covenants. Certain of these covenants impose restrictions on our business, and failure to comply with any of the covenants in these agreements could result in events of default.*

Our debt agreements contain various affirmative, negative and financial covenants, including our credit facilities and our SkyMiles financing agreements, each of which contains a minimum liquidity covenant. Certain of our debt agreements also contain collateral coverage ratios, and our SkyMiles financing agreements contain a debt service coverage ratio. A decline in these coverage ratios, including due to factors that are beyond our control, could require us to post additional collateral or trigger an early amortization event. Our SkyMiles financing agreements also restrict our ability to, among other things, change the policies and procedures of the SkyMiles program in a manner that would reasonably be expected to materially impair repayment of our SkyMiles debt.

Complying with certain of the covenants in our debt agreements and other restrictive covenants that may be contained in any future debt agreements could limit our ability to operate our business and to take advantage of business opportunities that are in our long-term interest. The terms of any future indebtedness we may incur could include more restrictive covenants.

While the covenants in our debt agreements are subject to important exceptions and qualifications, if we fail to comply with them and are unable to obtain a waiver or amendment, refinance the indebtedness subject to these covenants or take other mitigating actions, an event of default would result. These arrangements also contain other events of default customary for such financings. If an event of default were to occur, the lenders or noteholders could, among other things, declare outstanding amounts due and payable and where applicable and subject to the terms of relevant collateral agreements, repossess collateral, including aircraft or other valuable assets. In addition, an event of default or acceleration of indebtedness under one agreement could result in an event of default under other of our financing agreements. The acceleration of significant indebtedness could require us to seek to renegotiate, repay or refinance the obligations under our financing arrangements, and there is no assurance that such renegotiation or refinancing efforts would be successful.

*Item 1A. Risk Factors*

*We are at risk of losses and adverse publicity stemming from a serious accident involving our aircraft or aircraft of our airline partners.*

An aircraft crash or other serious accident involving our aircraft or those of our airline partners could expose Delta to significant liability. Although we believe that our insurance coverage is appropriate, we may be forced to bear substantial losses from an accident in the event that the coverage was not sufficient.

In addition, any accident involving an aircraft that we operate or an aircraft that is operated by an airline that is one of our regional carriers or codeshare, alliance or joint venture partners could create a negative public perception about safety and reliability for aviation authorities and the public, which could harm our reputation, resulting in air travelers being reluctant to fly on our aircraft and therefore harm our business.

*Breaches or lapses in the security of the technology systems we use and rely on and the data stored within them, as well as ever-evolving global privacy and security regulatory obligations, could have a material adverse effect on our business.*

As a regular part of our ordinary business operations, we collect and store sensitive data, including information necessary for our operations, personal information of our passengers and employees and information of our business partners. The secure operation of the networks and systems on which this type of information is stored, processed and maintained is critical to our business operations and strategy.

Our information systems and those of our service providers are subject to an increasing threat of continually evolving cybersecurity risks, and the increase in work-from-home arrangements since the onset of the COVID-19 pandemic could potentially enhance these risks. We expect unauthorized parties to continue attempting to gain access to our systems or information, or those of our business partners and service providers, including through fraud or other means of deception, or introduction of malicious code, such as viruses, worms, Trojan horses and ransomware. If successful, these actions could cause harm to our computer systems or compromise data stored on our computer networks or those of our business partners and service providers. For example, we were notified in 2018 that a third-party vendor of chat services for Delta and other companies determined we had been involved in a cyber incident for a short period in 2017. We have incurred remedial, legal and other costs in connection with this incident but the costs were not material to our financial position or results of operations. Hardware or software we or our business partners or service providers develop, acquire or use in connection with our systems may contain defects that could unexpectedly compromise information security.

The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving and may be difficult to anticipate or to detect for long periods of time. As a result of these types of risks and regular attacks on our systems, we regularly review and update procedures and processes to prevent and protect against unauthorized access to our systems and information and inadvertent misuse of data. In addition to continuously assessing risk and reviewing our procedures, processes and technologies, we continue to educate our people about these risks and to monitor, review and update the process and control requirements we expect third parties and vendors to leverage and implement for the protection of information regarding our customers, employees or business partners that is in their care. However, the constantly changing nature of the threats means that we may not be able to prevent all information security breaches or misuse of data.

The compromise of our or our business partners' or service providers' technology systems resulting in the loss, disclosure, misappropriation of, or access to, our information or that of our customers, employees or business partners could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy and security of personal information, disruption to our operations and damage to our reputation, any or all of which could adversely affect our business. The costs to remediate breaches and similar system compromises that do occur could be material. In addition, as cybercriminals become more sophisticated, the cost of proactive defensive measures continues to increase.

*Item 1A. Risk Factors*

*Disruptions of our information technology infrastructure could interfere with our operations, possibly having a material adverse effect on our business.*

Disruptions in our information technology capability could result from a technology error or failure impacting our internal systems, whether hosted internally at our data centers or externally at third-party locations, or large scale external interruption in technology infrastructure support on which we depend, such as power, telecommunications or the internet. The operation of our technology systems and the use of related data may also be vulnerable to a variety of other sources of interruption, including natural disasters, terrorist attacks, computer viruses, hackers and other security issues. A significant individual, sustained or repeated failure of our information technology infrastructure, including third-party networks we utilize and on which we depend, could impact our operations and our customer service, result in increased costs and damage our reputation. While we have in place initiatives to prevent disruptions and disaster recovery plans and continue to invest in improvements to these initiatives and plans, we have previously experienced infrastructure disruptions and these measures may not be adequate to prevent a future business disruption and any material adverse financial and reputational consequences to our business as recent outages of large cloud providers whom we rely on has shown.

*Failure of the technology we use to perform effectively could have a material adverse effect on our business.*

We are dependent on technology initiatives and capabilities to provide customer service and operational effectiveness in order to compete in the current business environment. For example, substantially all of our tickets are issued to our customers as electronic tickets, and a growing number of our customers check in using our website, airport kiosks and our FlyDelta mobile application. We have made and continue to make significant investments in customer facing technology such as delta.com, the FlyDelta mobile application, in-flight wireless internet, check-in kiosks, customer service applications, application of biometric technology, airport information displays and related initiatives, including security for these initiatives. We are also investing in significant upgrades to technology infrastructure and other supporting systems and transitioning to cloud-based technologies. The performance, reliability and security of the technology we use are critical to our ability to serve customers. If this technology does not perform effectively, including as a result of the implementation or integration of new or upgraded technologies or systems, our business and operations would be negatively affected, which could be material.

*Our commercial relationships with airlines in other parts of the world and the investments that we have in certain of those carriers may not produce the results or returns we expect.*

An important part of our strategy to expand our global network has been to develop and expand strategic relationships with a number of airlines through joint ventures and other forms of cooperation and support, including equity investments. We expect to continue exploring ways to deepen our alliance relationships with other carriers as part of our global business strategy. These relationships and investments involve significant challenges and risks, including that they may not generate the expected financial results or that we may not realize a satisfactory return on our investment. We are dependent on these other carriers for significant aspects of our network in the regions in which they operate.

The COVID-19 pandemic has significantly impacted the operations of our airline partners and could adversely affect the expansion of strategic relationships in the future. These carriers have incurred significant financial losses as a result of the pandemic, and some have been or may be forced to seek protection under applicable bankruptcy laws. For example, following the onset of the pandemic, LATAM and Grupo Aeroméxico filed voluntary proceedings to reorganize under Chapter 11 of the United States bankruptcy code and Virgin Atlantic undertook a voluntary recapitalization process in the United Kingdom ("U.K.") and instituted ancillary proceedings in support of that process in the U.S. As discussed further in Note 4 of the Notes to the Consolidated Financial Statements, due to the effects of the COVID-19 pandemic, along with these actions, the carrying value of our equity investments in these three carriers has been reduced to, and remained, zero as of December 31, 2021. During the December 2021 quarter, we announced additional investments in each of these carriers, which with respect to LATAM and Grupo Aeroméxico, remain subject to completion of their respective reorganizations and related terms, conditions and approvals. If any airline partners that seek to restructure or recapitalize are unable to do so successfully or if our commercial arrangements with these partners are not maintained, any investments or other assets associated with those partners could become impaired, and our business and results of operations could be materially adversely affected.

*Item 1A. Risk Factors*

*A significant disruption in, or other problems with respect to, the operations or performance of third parties on which we rely, including third-party carriers, could have a material adverse effect on our business and results of operations.*

We rely on the operations and performance of third parties in a number of areas that are important to our business, including third-party regional carriers, international alliance partners and ground operation providers at some airports. While we have agreements with certain of these third parties that define expected service performance, we do not have direct control over their operations. To the extent that the operations of a third party on which we rely is significantly disrupted, including as a result of the pandemic, or if these third parties experience significant performance issues (including failing to satisfy any applicable performance standards) or fail to meet any applicable compliance requirements, our revenue may be reduced, our expenses may be increased and our reputation may be harmed, any or all of which could result in a material adverse effect on our business and results of operations.

Some regional carriers, including our wholly-owned subsidiary, Endeavor, have faced a shortage of qualified pilots. If this shortage becomes more widespread, third-party regional carriers may not be able to comply with their obligations to us, and Endeavor may not be able to perform as expected, which could reduce our capacity (available seat miles) and revenue, resulting in a material adverse effect on our business and results of operations.

*We may never realize the full value of our intangible assets or our long-lived assets, causing us to record impairments that may materially adversely affect our results of operations.*

In accordance with applicable accounting standards, we are required to test our goodwill and other indefinite-lived intangible assets for impairment on an annual basis, or more frequently where there is an indication of impairment. In addition, we are required to test certain of our other assets for impairment where there is an indication that an asset may be impaired. During the fiscal year ended December 31, 2020, we recorded significant impairment and related charges related to acceleration of our fleet simplification strategy and the write-down of investments in certain airline partners, stemming from the impact of the COVID-19 pandemic.

We may be required to recognize losses in the future due to, among other factors, extreme fuel price volatility, tight credit markets, government regulatory changes, decline in the fair values of certain tangible or intangible assets, such as aircraft, route authorities, and airport slots, unfavorable trends in forecasted results of operations and cash flows and an uncertain economic environment, as well as other uncertainties. Further impairment charges could have a material adverse effect on our results of operations.

*Employee strikes and other labor-related disruptions may have a material adverse effect on our operations.*

Our business is labor intensive, utilizing large numbers of pilots, flight attendants, aircraft maintenance technicians, ground support personnel and other personnel. As of December 31, 2021, 20% of our workforce, primarily pilots, was unionized. Relations between air carriers and labor unions in the United States are governed by the Railway Labor Act, which provides that a collective bargaining agreement between an airline and a labor union does not expire, but instead becomes amendable as of a stated date. The Railway Labor Act generally prohibits strikes or other types of self-help actions both before and after a collective bargaining agreement becomes amendable, unless and until the collective bargaining processes required by the Railway Labor Act have been exhausted. The collective bargaining agreement with our pilots became amendable on December 31, 2019 and we are in discussions with the representative of the pilots regarding terms of the agreement under the auspices of the NMB. Separately, the NLRA governs Monroe's relations with the union representing their employees, which generally allows self help after a collective bargaining agreement expires.

If we or our subsidiaries are unable to reach agreement with any of our unionized work groups in future negotiations regarding the terms of their collective bargaining agreements or if additional segments of our workforce become unionized, we may be subject to work interruptions or stoppages, subject to the requirements of the Railway Labor Act or the NLRA, as the case may be. Strikes or labor disputes with our unionized employees may have a material adverse effect on our ability to conduct business. Likewise, if third-party regional carriers with which we have contract carrier agreements are unable to reach agreement with their unionized work groups in current or future negotiations regarding the terms of their collective bargaining agreements, those carriers may be subject to work interruptions or stoppages, subject to the requirements of the Railway Labor Act, which could have a material adverse effect on our operations.

*Item 1A. Risk Factors*

*Our results can fluctuate due to the effects of weather, natural disasters and seasonality.*

Our results of operations are impacted by severe weather, natural disasters and seasonality. Severe weather conditions and natural disasters (or other environmental events) can significantly disrupt service and create air traffic control problems. These events decrease revenue and can also increase costs. In addition, increases in the frequency, severity or duration of thunderstorms, hurricanes, typhoons, floods or other severe weather events, including from changes in the global climate and rising global temperatures, could result in increases in delays and cancellations, turbulence-related injuries and fuel consumption to avoid such weather, any of which could result in loss of revenue and higher costs. In addition, demand for air travel is typically higher in the June and September quarters, particularly in our international markets, because there is more vacation travel during these periods than during the remainder of the year. The seasonal shifting of demand causes our financial results to vary on a seasonal basis. Because of fluctuations in our results from weather, natural disasters and seasonality, results of operations for a historical period are not necessarily indicative of results of operations for a future period and results of operations for an interim period are not necessarily indicative of results of operations for an entire year.

*Our business and results of operations are dependent on the price of aircraft fuel. High fuel costs or cost increases, including in the cost of crude oil, could have a material adverse effect on our results of operations.*

Our results of operations are significantly impacted by changes in the price of aircraft fuel. Over the last decade, fuel prices have been highly volatile and at times have increased substantially. From 2019 to 2021, our average annual fuel price per gallon, including the impact of fuel hedges, has varied from \$1.64 to \$2.02 with year to year variations ranging from a decrease of 19% to an increase of 23%.

We acquire a significant amount of jet fuel from Monroe and through strategic agreements associated with the refinery that Monroe has with third parties. The cost of the fuel we purchase under these arrangements remains subject to volatility in the cost of crude oil and jet fuel. In addition, we have historically purchased a significant amount of aircraft fuel in addition to what we obtain from Monroe. Our aircraft fuel purchase contracts alone do not provide material protection against price increases as these contracts typically establish the price based on industry standard market price indices.

The competitive nature of the airline industry may affect our ability to pass along rapidly increasing fuel costs to our customers. In addition, because passengers often purchase tickets well in advance of their travel, a significant rapid increase in fuel price may result in the fare charged not covering that increase. At times in the past, we often were not able to increase our fares to offset fully the effect of increases in fuel costs, and we may not be able to do so in the future.

*Significant extended disruptions in the supply of aircraft fuel, including from Monroe, could have a material adverse effect on our operations and results of operations.*

Weather-related events, natural disasters, political disruptions or disputes involving oil-producing countries, changes in governmental policy concerning aircraft fuel production, transportation or taxes, changes in refining capacity, environmental concerns and other unpredictable events may impact crude oil and fuel supply and could result in shortages in the future. Shortages in fuel supplies could have negative effects on our results of operations and financial condition.

The disruption or interruption of production at the refinery could have a negative impact on our ability to acquire jet fuel needed for our operations. Disruptions or interruptions of production at the refinery could result from various sources including a major accident or mechanical failure, interruption of supply or delivery of crude oil, work stoppages relating to organized labor issues, or damage from severe weather or other natural or man-made disasters, including acts of terrorism. If the refinery were to experience an interruption in operations, disruptions in fuel supplies could have negative effects on our results of operations and financial condition. In addition, the financial benefits from the operation of the refinery could be materially adversely affected (to the extent not recoverable through insurance) because of lost production and repair costs.

If Monroe's cost of producing non-jet fuel products exceeds the value it receives for those products, the financial benefits we expect to achieve through the ownership of the refinery and our consolidated results of operations could be materially adversely affected.



*Item 1A. Risk Factors*

*An environmental or other incident associated with the operation of the Monroe refinery could have a material adverse effect on our consolidated financial results if insurance is unable to cover a significant liability. In addition, such an incident could damage our reputation.*

Monroe's refining operations are subject to various hazards unique to refinery operations, including explosions, fires, toxic emissions and natural catastrophes. Monroe could incur substantial losses, including cleanup costs, fines and other sanctions and third-party claims, and its operations could be interrupted, as a result of such an incident. Monroe's insurance coverage does not cover all potential losses, costs or liabilities, and Monroe could suffer losses for uninsurable or uninsured risks or in amounts greater than its insurance coverage. In addition, Monroe's ability to obtain and maintain adequate insurance may be affected by conditions in the insurance market over which it has no control. If Monroe were to incur a significant liability for which it is not fully insured or for which insurance companies do not or are unable to provide coverage, this could have a material adverse effect on our consolidated financial results of operations or consolidated financial position. In addition, because of our ownership of Monroe, the occurrence of an environmental or other incident could result in damage to our reputation, which could have a material adverse effect on our financial results.

*The operation of the refinery by Monroe is subject to significant environmental regulation. Failure to comply with environmental regulations or the enactment of additional regulation applicable to Monroe could have a material adverse effect on our consolidated financial results.*

Monroe's operations are subject to extensive environmental, health and safety laws and regulations, including those relating to the discharge of materials into the environment, waste management, pollution prevention measures and greenhouse gas emissions, which are subject to change over time. Monroe could incur fines and other sanctions, cleanup costs and third-party claims as a result of violations of or liabilities under environmental, health and safety requirements, which if significant, could have a material adverse effect on our consolidated financial results. In addition, the enactment of new, more stringent environmental laws and regulations, including any laws or regulations relating to greenhouse gas emissions, could significantly increase the level of expenditures required for Monroe or restrict its operations.

In particular, under the Energy Independence and Security Act of 2007, the EPA has adopted RFS that mandates the blending of renewable fuels into Transportation Fuels. RINs are assigned to renewable fuels produced or imported into the U.S. that are blended into Transportation Fuels to demonstrate compliance with this obligation. A refinery may meet its obligation under RFS by blending the necessary volumes of renewable fuels with Transportation Fuels, by purchasing RINs in the open market or through a combination of blending and purchasing RINs.

Because Monroe is able to blend only a small amount of renewable fuels, it must purchase the majority of its RINs requirement in the secondary market. As a result, Monroe is exposed to the market price of RINs. Market prices for RINs have been volatile, marked by periods of sharp increases and decreases primarily in response to speculation about what the EPA and/or the U.S. Congress will do with respect to compliance obligations. We cannot predict these actions or the future prices of RINs. During 2021 and 2020, Monroe's operating losses were driven in part by an increase in RINs costs. Monroe's purchase of RINs at elevated prices in the future could have a material impact on our consolidated results of operations and cash flows.

Existing laws or regulations could change, and the minimum volumes of renewable fuels that must be blended with refined petroleum products may increase. Increases in the volume of renewable fuels that must be blended into Monroe's products could limit the refinery's production if sufficient numbers of RINs are not available for purchase or relief from this requirement is not obtained, which could have a material adverse effect on our consolidated financial results.

*If we lose senior management and other key employees and they are not replaced by individuals with comparable skills, or we otherwise fail to maintain our company culture, our business and results of operations could be materially adversely affected.*

We are dependent on the experience and industry knowledge of our officers and other key employees to design and execute our business plans. If we experience a substantial turnover in our leadership and other key employees and we are not able to replace these persons with individuals with comparable skills, or we otherwise fail to maintain our company culture, our performance could be materially adversely impacted. Furthermore, we may be unable to attract and retain additional qualified senior management and other key personnel as needed in the future.

*Item 1A. Risk Factors*

*Significant damage to our reputation and brand, including as a result of significant adverse publicity or inability to achieve certain sustainability goals, could materially adversely affect our business and financial results.*

Maintaining our reputation and global brand is critical to our business. We operate in a highly visible and public environment with significant real-time exposure to traditional and social media. Adverse publicity, whether justified or not, can rapidly spread, including through social or digital media. In particular, passengers can use social media to portray interactions with Delta, without context, in a manner that can be quickly and broadly disseminated. To the extent we are unable to respond in a timely and appropriate manner to adverse publicity, our brand and reputation may be damaged.

Our reputation and brand could also be adversely impacted by, among other things, failure to make progress toward and achieve our environmental sustainability and diversity, equity and inclusion goals, as well as public pressure from investors or policy groups to change our policies or negative public perception of the environmental impact of air travel. For example, we intend to invest \$1.0 billion through 2030 toward airline carbon neutrality and to establish ambitious new medium- and long-term goals to reduce our emissions, but we are unable to achieve the latter goals using our existing fleet, current technologies and available fuel sources. We are diligently working to establish a reasonable transition plan with respect to our medium- and long-term climate goals; however, our ability to execute on such a plan is subject to substantial risks and uncertainties, as it is dependent on the actions of governments and third parties and will require, among other things, significant capital investment, including from third parties, research and development from manufacturers and other stakeholders, along with government policies and incentives to reduce the cost, and incent production, of SAF and other technologies that are not presently in existence or available at scale. Significant damage to our reputation and brand could have a material adverse effect on our business and financial results, including as a result of litigation related to any of these matters.

*Item 1A. Risk Factors*

**Risk Factors Relating to the Airline Industry**

*Terrorist attacks, geopolitical conflict or security events may adversely affect our business, financial condition and results of operations.*

Terrorist attacks, geopolitical conflict or security events, or the fear or threat of any of these events, could have a significant adverse effect on our business. Despite significant security measures at airports and airlines, the airline industry remains a high profile target for terrorist groups. We rely on government provided threat intelligence and utilize private sources to constantly monitor for threats from terrorist groups and individuals, including from violent extremists both internationally and domestically, with respect to direct threats against our operations and in ways not directly related to the airline industry. In addition, the impact on our operations of avoiding areas of the world, including airspace, in which there are geopolitical conflicts and the targeting of commercial aircraft by parties to those conflicts can be significant. Security events, primarily from external sources but also from potential insider threats, also pose a significant risk to our passenger and cargo operations. These events could include random acts of violence and could occur in public areas that we cannot control.

Terrorist attacks, geopolitical conflict or security events, or the fear or threat of any of these events, even if not made directly on or involving the airline industry, could have a significant negative impact on us by discouraging passengers from flying, leading to decreased ticket sales and increased refunds. In addition, potential costs from these types of events include increased security costs, impacts from avoiding flight paths over areas in which conflict is occurring or could occur, such as flight redirections or cancellations, reputational harm and other costs. If any or all of these types of events occur, they could have a material adverse effect on our business, financial condition and results of operations.

*The global airline industry is highly competitive and, if we cannot successfully compete in the marketplace, our business, financial condition and results of operations will be materially adversely affected.*

The airline industry is highly competitive, marked by significant competition with respect to routes, fares, schedules (both timing and frequency), operational reliability, services, products, customer service and loyalty programs. Consolidation in the airline industry, changes in international alliances, the creation of immunized joint ventures and the rise of subsidized government-sponsored international carriers have altered and will continue to alter the competitive landscape in the industry, resulting in the formation of airlines and alliances with increased financial resources, more extensive global networks and competitive cost structures.

Our domestic operations are subject to significant competition from traditional network carriers, including American Airlines and United Airlines, national point-to-point carriers, including Alaska Airlines, JetBlue Airways and Southwest Airlines, and other discount or ultra-low-cost carriers, including Spirit Airlines, Frontier Airlines and Allegiant Air, some of which may have lower costs than we do and provide service at low fares to destinations served by Delta. In particular, we face significant competition at our domestic hubs and key airports either directly at those airports or at the hubs of other airlines that are located in close proximity. We also face competition in smaller to medium-sized markets from regional jet operations of other carriers. Our ability to compete in the domestic market effectively depends, in part, on our ability to maintain a competitive cost structure. If we cannot maintain our costs at a competitive level, then our business, financial condition and results of operations could be materially adversely affected.

Our international operations are subject to competition from both foreign and domestic carriers, including from point-to-point carriers on certain international routes. Through alliance and other marketing and codesharing agreements with foreign carriers, U.S. carriers have increased their ability to sell international transportation, such as services to and beyond traditional European and Asian gateway cities. Similarly, foreign carriers have obtained increased access to interior U.S. passenger traffic beyond traditional U.S. gateway cities through these relationships.

In particular, several joint ventures among U.S. and foreign carriers, including several of our joint ventures as well as those of our competitors, have received grants of antitrust immunity allowing the participating carriers to coordinate schedules, pricing, sales and inventory. In addition, alliances formed by domestic and foreign carriers, including SkyTeam, the Star Alliance (among United Airlines, Lufthansa German Airlines, Air Canada and others) and the oneworld alliance (among American Airlines, British Airways, Qantas and others) have enhanced competition in international markets.

The airline industry also faces competition from surface transportation and technological alternatives such as virtual meetings, teleconferencing or videoconferencing, and the intensity of this competition has likely increased, at least in the near term, as a result of the COVID-19 pandemic. Increased competition in both the domestic and international markets may have a material adverse effect on our business, financial condition and results of operations.

*Item 1A. Risk Factors*

*Extended interruptions or disruptions in service at major airports in which we operate or significant problems associated with a type of aircraft or engine we operate could have a material adverse effect on our operations.*

The airline industry is heavily dependent on business models that concentrate operations in major airports in the United States and throughout the world. An extended interruption or disruption at an airport where we have significant operations, whether resulting from a discrete event, such as a hurricane, or the manifestation of a chronic physical risk, such as rising sea levels, could have a material adverse effect on our business, financial condition and results of operations.

Similarly, the airline industry is heavily dependent on a limited number of aircraft and engine manufacturers whose products are subject to extensive regulatory requirements. Any significant problems associated with an aircraft or engine type that we operate, such as design defects, mechanical problems, contractual performance by the manufacturers or adverse perception by the public leading to customer avoidance or adverse actions by the FAA resulting in grounding could have a negative impact on our operations if we are not able to substitute or replace the affected aircraft or engine type and could, in any event, have a material adverse effect on our financial condition and results of operations.

*The airline industry is subject to extensive government regulation, which is costly and could materially adversely affect our business.*

Airlines are subject to extensive regulatory and legal compliance requirements that result in significant costs and may have material adverse effects on our business. For instance, the FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that necessitate significant expenditures and could carry operational implications. We expect to continue incurring significant expenses to comply with the FAA's regulations. In addition, a directive or other regulation that has a significant operational impact on us could have a material adverse impact on our financial results.

Other laws, regulations, taxes and airport rates and charges have also been imposed from time to time that significantly increase the cost of airline operations, reduce revenues or otherwise impact our business. The industry is heavily taxed. Additional taxes and fees, if implemented, could negatively impact our results of operations.

Airport slot access is subject to government regulation and changes in slot regulations or allocations could impose a significant cost on the airlines operating in airports subject to such regulations or allocations or otherwise adversely affect an airline's business. Certain of our hubs are among the most congested airports in the United States and have been, and could in the future be, the subject of regulatory action that might limit the number of flights and/or increase costs of operations at certain times or throughout the day. Air traffic control inefficiencies can also enhance these pressures.

In addition, the failure of the federal government to upgrade the U.S. air traffic control system, which is regulated by the FAA, has resulted in delays and disruptions of air traffic during peak travel periods in certain congested markets. The failure to improve the air traffic control system could lead to increased delays and inefficiencies in flight operations as demand for U.S. air travel increases, having a material adverse effect on our operations. Failure to update the air traffic control system in a timely manner, and the substantial funding requirements of an updated system that may be imposed on air carriers, may have an adverse impact on our financial condition and results of operations.

As an international carrier, we are subject to a wide variety of U.S. and foreign laws that affect trade, including tariff and trade policies, export and import requirements, taxes, monetary policies and other restrictions and charges. In particular, the imposition of significant tariffs with respect to aircraft that we are not able to mitigate could substantially increase our costs, which in turn could have a material adverse effect on our financial results.

In addition, some of our operations are in high-risk legal compliance environments. Failure to comply with trade sanctions and restrictions, the Foreign Corrupt Practices Act (the "FCPA") and similar anti-bribery laws in non-U.S. jurisdictions, as well as other applicable laws or regulations could result in litigation, assessment of damages, imposition of penalties or other consequences, any or all of which could harm our reputation and have an adverse effect on our financial results. In certain circumstances, we also may be subject to consequences of the failure of our airline partners to comply with laws and regulations, including U.S. laws to which they may be subject such as the FCPA.

We and other U.S. carriers are subject to U.S. and foreign laws regarding privacy of passenger and employee data that are not consistent in all countries in which we operate and which are continuously evolving, requiring ongoing monitoring and updates to our privacy and information security programs. Although we dedicate significant resources to manage compliance with global privacy and information security obligations, this challenging regulatory environment may pose material risks to our business, including increased operational burdens and costs, regulatory enforcement, and legal claims or proceedings.

*Item 1A. Risk Factors*

*The airline industry is subject to many forms of environmental regulation, including but not limited to increased regulation to reduce emissions and other risks associated with climate change. The cost of compliance with more stringent environmental regulations, failure to comply with existing or future regulations or failure to otherwise manage the risks of climate change effectively could have a material adverse effect on our business.*

Many aspects of our operations are subject to evolving and increasingly stringent federal, state, local and international laws governing the protection of the environment. Compliance with existing and future environmental laws and regulations could require capital investment and increase operational costs, and violations can lead to significant fines and penalties and reputational harm.

Future regulatory action concerning climate change, aircraft emissions and noise emissions could have a significant effect on the airline industry. In order to address aircraft carbon dioxide emissions, the International Civil Aviation Organization, a United Nations specialized agency, formally adopted a global, market-based emission offset program known as CORSIA. This program establishes a goal for the aviation industry to achieve carbon-neutral growth in international aviation beginning in 2021 through the use of carbon offsets and/or lower carbon aviation fuel. The baseline for establishing airlines' offset obligations under CORSIA was originally set as an average of 2019 and 2020 emissions. However, given the COVID-19 pandemic and resulting unprecedented reduction in international travel, ICAO removed 2020 from the baseline calculation for the first phases of CORSIA, from 2021 to 2027. ICAO has yet to decide how to apply the baseline beyond 2027. Some countries and other stakeholders, however, have advocated for reestablishing 2020 in the baseline and for using 2020 for the future baseline calculation, which, if adopted, would significantly increase the airline industry's projected obligations under the program and the cost of compliance. Certain CORSIA program details remain to be developed and could potentially be affected by political developments in participating countries or the results of the pilot phase of the program, and thus the impact of CORSIA cannot be predicted at this time. However, CORSIA is expected to increase operating costs for airlines that operate internationally.

In addition to CORSIA, we may face a patchwork of regulation of aircraft emissions in the U.S. and abroad and could become subject to further taxes, charges or additional requirements to obtain permits or purchase allowances or emission credits for greenhouse gas emissions in various jurisdictions. For example, in 2021 the European Commission proposed legislation that would expand the reach of the EU ETS to include flights into and out of the European Economic Area beginning in 2027 under certain circumstances, increase the stringency of the program, and establish a sustainable aviation fuel blending mandate for aviation fuel suppliers, among other requirements. Individual EU member states have been developing their own requirements, including for example, a SAF mandate in France that will be phased in at the beginning of 2022. In the United States various exploratory discussions continue around approaches to address climate change, such as carbon pricing, without a clear legislative path forward. Additional regulation could result in taxation, regulatory or permitting requirements from multiple jurisdictions for the same operations and significant costs for the airline industry, including Delta. In addition to direct costs, such regulation could result in increased fuel costs passed through from fuel suppliers affected by any such regulations. While the specific nature of future actions is hard to predict, new laws or regulations related to environmental matters adopted in the U.S. or other countries could impose significant additional costs on or otherwise adversely affect our operations. Certain airports have also adopted, and others could in the future adopt, greenhouse gas emission or climate-related goals and requirements that could impact our operations or require us to make changes or investments in our infrastructure.

In addition to risks from potential changes to environmental regulation and policy, the transition to lower-carbon technologies, such as SAF, or changes in consumer preferences resulting from a negative perception of the environmental impact of air travel could materially adversely affect our business and financial results. For example, lower-carbon technologies such as SAF and direct air capture technologies are currently not available at scale and may take decades to develop, and the cost to transition to them could be prohibitively expensive without appropriate government policies and incentives in place. As more businesses have publicly announced environmental sustainability goals, the cost of carbon offsets has also increased significantly and will likely continue to do so.

*Item 1A. Risk Factors*

*Because of the global nature of our business, unfavorable economic or political conditions in the markets in which we operate or volatility in currency exchange rates could have a material adverse effect on our business, financial condition and results of operations.*

As a result of the discretionary nature of air travel, the airline industry has been cyclical and particularly sensitive to changes in economic conditions. Because we operate globally, our business is subject to economic and political conditions throughout the world. During periods of unfavorable or volatile economic conditions in the economy in the U.S. or abroad, including as a result of the COVID-19 pandemic and the worldwide response to it, demand for air travel can be significantly impacted as business and leisure travelers choose not to travel, seek alternative forms of transportation for short trips or conduct business using technological alternatives. If unfavorable economic conditions occur, particularly for an extended period, our business, financial condition and results of operations may be adversely affected. In addition, significant or volatile changes in exchange rates between the U.S. dollar and other currencies, and the imposition of exchange controls or other currency restrictions, may have a material adverse effect on our liquidity, financial conditions and results of operations.

Our international operations are an important part of our route network. Political disruptions and instability around the world can negatively impact the demand and network availability for air travel. Additionally, any deterioration in global trade relations, such as increased tariffs or other trade barriers, could result in a decrease in the demand for international air travel.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

Item 2. Properties  
ITEM 2. PROPERTIES

Flight Equipment

Our operating aircraft fleet, purchase commitments and options at December 31, 2021 are summarized in the following table. We have been experiencing a recovery in demand from the COVID-19 pandemic, which has led to an increase in our capacity and utilization of our aircraft compared to the year ended December 31, 2020. Accordingly, as of December 31, 2021, all aircraft in our operating fleet are reflected in the table below compared to approximately 10% that were temporarily parked as of December 31, 2020. See Note 15 of the Notes to the Consolidated Financial Statements for additional information on the restructuring charges recorded in 2020 related to our fleet retirement plans.

Operating aircraft information by fleet type

Fleet Type	Current Fleet <sup>(1)</sup>				Average Age (Years)	Commitments	
	Owned	Finance Lease	Operating Lease	Total		Purchase	Options
A220-100	37	4	—	41	2.3	4	—
A220-300	10	—	—	10	1.0	40	50
A319-100	55	2	—	57	19.9	—	—
A320-200	52	4	—	56	26.0	—	—
A321-200	69	22	36	127	3.1	—	—
A321-200neo	—	—	—	—	—	155	70
A330-200	11	—	—	11	16.8	—	—
A330-300	28	—	3	31	13.0	—	—
A330-900neo	3	3	5	11	1.6	26	—
A350-900	13	—	11	24	3.7	20	—
B-717-200	9	42	3	54	20.6	—	—
B-737-800	73	4	—	77	20.3	—	—
B-737-900ER	91	—	49	140	5.6	19	—
B-757-200	99	1	—	100	24.4	—	—
B-757-300	16	—	—	16	18.9	—	—
B-767-300ER	40	—	—	40	25.4	—	—
B-767-400ER	21	—	—	21	21.1	—	—
Total	627	82	107	816	14.0	264	120

<sup>(1)</sup>Excludes certain aircraft we own or lease that are operated by regional carriers on our behalf shown in the table below. Includes used aircraft purchases from 2021 that are undergoing modifications and will enter service in the second half of 2022.

The following table summarizes the aircraft operated by regional carriers on our behalf at December 31, 2021.

Regional aircraft information by carrier

Carrier	Fleet Type					Total
	CRJ-200	CRJ-700	CRJ-900	Embraer 170	Embraer 175	
Endeavor Air, Inc. <sup>(1)</sup>	46	13	115	—	—	174
SkyWest Airlines, Inc.	—	6	44	—	71	121
Republic Airline, Inc.	—	—	—	8	46	54
Total	46	19	159	8	117	349

<sup>(1)</sup>Endeavor Air, Inc. is a wholly owned subsidiary of Delta.

*Item 2. Properties*  
*Aircraft Purchase Commitments*

As part of a multi-year effort, we have been investing in new aircraft to provide an improved customer experience, greater fuel efficiency and thus reduced carbon emissions, better operating economics and more premium products. Our purchase commitments for additional aircraft at December 31, 2021 are detailed in the following table:

*Aircraft purchase commitments by fleet type*

Aircraft Purchase Commitments	Delivery in Calendar Years Ending				Total
	2022	2023	2024	After 2024	
A220-100	4	—	—	—	4
A220-300	7	11	10	12	40
A321-200neo	27	33	25	70	155
A330-900neo	9	8	7	2	26
A350-900	4	—	6	10	20
B-737-900ER	19	—	—	—	19
<b>Total</b>	<b>70</b>	<b>52</b>	<b>48</b>	<b>94</b>	<b>264</b>

*Ground Facilities*

*Airline Operations*

We lease most of the land and buildings that we occupy. Our largest aircraft maintenance base, various equipment maintenance, cargo, flight kitchen and training facilities and most of our principal offices are located at or near the Atlanta airport on land leased from the City of Atlanta. We lease ticket counters, gate areas, operating facilities and other terminal space in most of the airports that we serve. At most airports, we have entered into use agreements which provide for the non-exclusive use of runways, taxiways and other improvements and facilities; landing fees under these agreements normally are based on the number of landings and weight of aircraft. These leases and use agreements generally run for periods of less than one year to 30 years or more, and often contain provisions for periodic adjustments of lease rates, landing fees and other charges applicable under that type of agreement. We also lease aircraft maintenance, equipment maintenance and air cargo facilities at several airports. Our facility leases generally require us to pay the cost of providing, operating and maintaining such facilities, including, in some cases, amounts necessary to pay debt service on special facility bonds issued to finance their construction. We also lease computer facilities, marketing offices, reservations offices and other off-airport facilities in certain locations for varying terms.

We own our Atlanta reservations center, other real property in Atlanta and reservations centers in Minot, North Dakota and Chisholm, Minnesota.

*Refinery Operations*

Our Monroe subsidiaries own and operate the Trainer refinery and related assets in Pennsylvania. The facilities include pipelines and terminal assets that allow the refinery to supply jet fuel to our airline operations throughout the Northeastern U.S., including our New York hubs at LaGuardia and JFK.



*Item 3. Legal Proceedings*

ITEM 3. LEGAL PROCEEDINGS

Capacity Antitrust Litigation

In July 2015, a number of purported class action antitrust lawsuits were filed alleging that Delta, American, United and Southwest had conspired to restrain capacity. The lawsuits were filed in the wake of media reports that the U.S. Department of Justice had served civil investigative demands upon these carriers seeking documents and information relating to this subject. The lawsuits have been consolidated into a single Multi-District Litigation proceeding in the U.S. District Court for the District of Columbia. We believe the claims in these cases are without merit and vigorously defended these lawsuits. Our summary judgment motion has been fully briefed and pending since May 2021.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Delta Air Lines, Inc. 2021 Form 10-K

## ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

## Market Information

Our common stock is listed on the New York Stock Exchange ("NYSE") under the trading symbol DAL.

## Holders

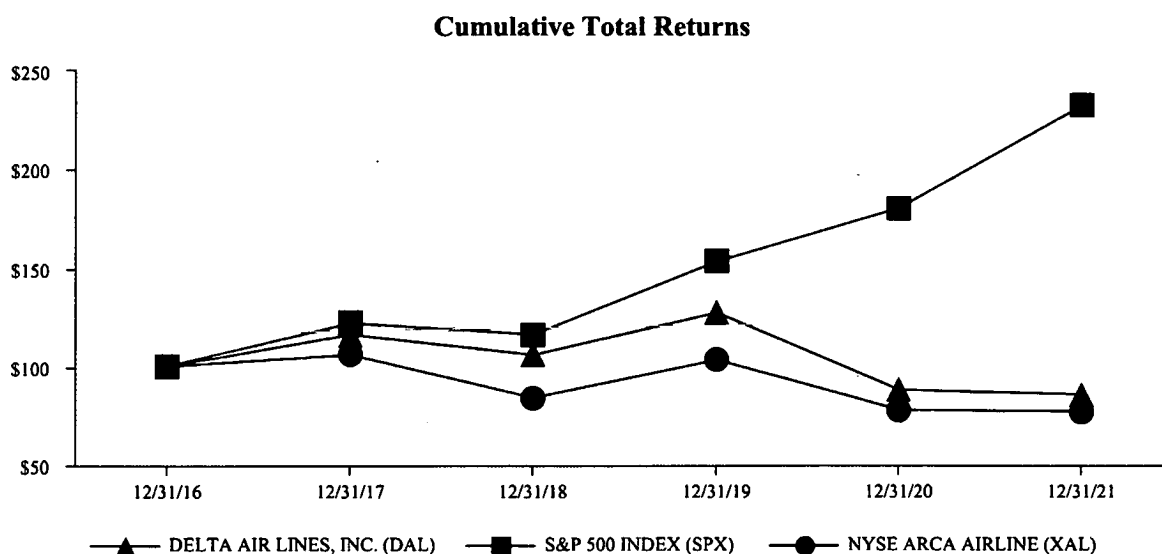
As of January 31, 2022, there were approximately 2,300 holders of record of our common stock.

## Dividends

We made cash dividend payments of \$980 million during the year ended December 31, 2019 and \$260 million in the March 2020 quarter prior to the COVID-19 pandemic. In March 2020, we suspended dividends due to the impact of the COVID-19 pandemic. The CARES Act and payroll support program extensions restrict the payment of dividends through September 2022. Dividend payments beyond that time will be dependent upon our results of operations, financial condition, cash requirements, future prospects and other factors deemed relevant by the Board of Directors.

## Stock Performance Graph

The following graph compares the cumulative total returns during the period from December 31, 2016 to December 31, 2021 of our common stock to the Standard & Poor's 500 Stock Index and the NYSE ARCA Airline Index. The comparison assumes \$100 was invested on December 31, 2016 in each of our common stock and the indices and assumes that all dividends were reinvested.



*Item 5. Market Information***Issuer Purchases of Equity Securities**

The following table presents information with respect to purchases of common stock we made during the December 2021 quarter. The table reflects shares withheld from employees to satisfy certain tax obligations due in connection with grants of stock under the Delta Air Lines, Inc. Performance Compensation Plan (the "Plan"). The Plan provides for the withholding of shares to satisfy tax obligations but it does not specify a maximum number of shares that can be withheld for this purpose. The shares of common stock withheld to satisfy tax withholding obligations may be deemed to be "issuer purchases" of shares that are required to be disclosed pursuant to this Item.

**Shares purchased / withheld from employee awards during the December 2021 quarter**

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value (in millions) of Shares That May Yet Be Purchased Under the Plan or Programs
October 2021	1,098	\$ 45.12	1,098	\$ —
November 2021	4,488	\$ 40.10	4,488	\$ —
December 2021	3,005	\$ 37.78	3,005	\$ —
<b>Total</b>	<b>8,591</b>		<b>8,591</b>	

**ITEM 6. (RESERVED)**

Item 7. MD&A

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our business and operating results continue to be significantly impacted by the COVID-19 pandemic. However, as described further below, we have seen improvement in our business beginning in March 2021 and progressing through 2021. Given the drastic and unprecedented impact of the pandemic on our operating results in 2020, we believe that for the financial highlights discussion below, a comparison of our results in 2021 to both 2020 and 2019 allows for a better understanding of the full impact of the COVID-19 pandemic and the progress of our recovery.

This section of Form 10-K, however, does not address certain items regarding the year ended December 31, 2019. Discussion and analysis of 2019 and year-to-year comparisons between 2020 and 2019 not included in this Form 10-K can be found in "Item 7. Management's Discussion and Analysis" of our Annual Report on Form 10-K for the year ended December 31, 2020. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited Consolidated Financial Statements and the related notes and other financial information as well as the material risk factors included elsewhere in this Annual Report on Form 10-K.

The table below shows certain key financial measures for the years ended December 31, 2021, 2020 and 2019:

(in millions)	Year Ended December 31,			2021 vs 2020 %		2021 vs 2019 %	
	2021	2020	2019	Increase (Decrease) (1)		Increase (Decrease) (1)	
Total operating revenue	29,899	17,095	47,007	75	%	(36)	%
Total operating expense	28,013	29,564	40,389	(5)	%	(31)	%
Total non-operating expense, net	(1,488)	(3,118)	(420)	(52)	%	NM	
Income/(loss) before income taxes	398	(15,587)	6,198	NM		(94)	%

(1) Certain variances are labeled as not meaningful ("NM") throughout management's discussion and analysis.

Financial Highlights - 2021 Compared to 2019

Our pre-tax income for 2021 was \$398 million, which includes recognition of \$4.5 billion in grants from the Payroll Support Program Extension ("PSP2") and Payroll Support Program 3 ("PSP3"). This is a \$5.8 billion decrease compared to 2019 primarily due to the impact of the COVID-19 pandemic on our business which resulted in a 36% decrease in revenue, partially offset by a reduction in operating expense, including the government grant recognition. Pre-tax loss, adjusted (a non-GAAP financial measure) which excludes the government grant recognition and other items was \$3.4 billion, a decrease of \$9.6 billion compared to 2019.

**Revenue.** Compared to 2019, our operating revenue decreased \$17.1 billion, or 36% due to reduced demand resulting from the COVID-19 pandemic.

The length and severity of the reduction in travel demand due to the COVID-19 pandemic remains uncertain; however, with continued distribution of effective vaccines and easing of travel advisories and restrictions, we believe customer confidence will continue to grow, leading to increased demand during 2022. We expect domestic leisure travel to exceed 2019 levels in 2022, while we expect business travel to continue to return as many companies are expected to expand "return to office" plans throughout 2022. International demand recovery has been uneven as the COVID-19 variants and related travel restrictions impact various countries within our international network, though we believe demand will begin accelerating in the second half of 2022 as travel restrictions are lifted. We continue to monitor risks to the pace of recovery from COVID-19 variants, the effectiveness of vaccine programs and travel advisories and restrictions. We are planning for our system capacity to be approximately 15% lower in the March 2022 quarter than the March 2019 quarter and approximately 10% lower for the full year of 2022 compared to 2019.

**Operating Expense.** Total operating expense decreased \$12.4 billion, or 31%, compared to 2019, primarily resulting from recognition of the grants from PSP2 and PSP3, lower volume-related expenses (mainly fuel and passenger commissions and other selling expenses), lower salaries and related costs and profit sharing expense, and significant cost reduction measures taken across all aspects of our operation in response to the COVID-19 pandemic. These decreases were partially offset by an increase in expenses related to refinery sales to third parties, reflected in ancillary business and refinery expense, as well as recovery related and transition costs incurred (e.g., aircraft reactivation, hiring, training, overtime and reservations volume) as we return closer to pre-pandemic levels of demand and capacity. Total operating expense, adjusted (a non-GAAP financial measure) decreased \$10.9 billion, or 27% compared to 2019.

#### *Item 7. MD&A - Financial Highlights*

Our total operating cost per available seat mile ("CASM") decreased 2% to 14.40 cents compared to 2019, primarily due to the cost reductions discussed above and partially offset by a 29% decrease in capacity. Non-fuel unit costs ("CASM-Ex", a non-GAAP financial measure) increased 11% to 12.12 cents due to the 29% decrease in capacity, despite a decline in adjusted operating expenses.

Minimizing unit cost increases is important to delivering on our overall financial objectives. During 2022, however, we expect non-fuel unit costs to increase 7%-10% compared to 2019. This expected unit cost increase is primarily due to 2022 capacity projected to be lower than 2019, costs associated with rebuilding our network, investments to support an elevated customer experience and our premium brand focus, and inflation and labor cost escalation in the underlying business. We expect non-fuel unit cost increases compared to 2019 to moderate in future years as we return to and exceed pre-pandemic capacity and benefit from cost reduction measures implemented during 2020 that were structural in nature.

We have experienced, and expect to continue experiencing, increased cost inflation as a result of global macroeconomic trends, actions we took in response to the COVID-19 pandemic and labor shortages at our suppliers. Actions we have taken to mitigate the impact of expected inflation include leveraging scale and efficiency in our underlying business through improved asset utilization and seeking productivity improvements through increased scale efficiencies and technology enhancements.

*Non-Operating Results.* Total non-operating expense was \$1.5 billion in 2021, \$1.1 billion higher than 2019, primarily due to higher interest expense as a result of our increased debt balances due to the financing arrangements entered into during 2020.

*Cash Flow.* Our liquidity at December 31, 2021 was \$14.2 billion, an \$8.2 billion increase compared to December 31, 2019 as a result of proceeds from loans and debt issuances and other liquidity initiatives. During 2021, operating activities provided \$3.3 billion, including \$4.5 billion from the payroll support program grants, which was partially offset by the \$1.5 billion in contributions we made to our defined benefit pension plans. During 2021, we incurred approximately \$900 million of net investing cash outflows, primarily for \$3.2 billion capital expenditures, partially offset by \$2.4 billion of net redemptions of short-term investments. Capital expenditures primarily related to the purchase of aircraft, fleet modifications, our airport redevelopment projects and technology enhancements. These results generated \$1.3 billion of free cash flow (a non-GAAP financial measure) in 2021 compared to \$4.2 billion in 2019. Also, during 2021 we had cash outflows of approximately \$5.8 billion related to repayments of our debt and finance leases, including approximately \$3.8 billion for early repayments and the remainder from scheduled maturities.

The non-GAAP financial measures pre-tax loss, adjusted, operating expense, adjusted, CASM-Ex and free cash flow used above are defined and reconciled in "Supplemental Information" below.

#### **Financial Highlights - 2021 Compared to 2020**

Our 2021 pre-tax income improved \$16.0 billion compared to 2020. This was primarily due to the restructuring charges, investment impairments and equity method losses recorded during 2020 and a partial recovery in the demand for air travel during 2021, which resulted in a 75% increase in revenue. Pre-tax loss, adjusted (a non-GAAP financial measure) was \$3.4 billion, an increase of \$5.6 billion compared to 2020.

*Revenue.* Compared to 2020, our 2021 operating revenue increased \$12.8 billion, or 75%, primarily due to increased travel demand.

*Operating Expense.* Total operating expense decreased \$1.6 billion, or 5%, compared to 2020, primarily resulting from the reduction in restructuring charges and recognition of the PSP2 and PSP3 grants. These decreases were almost fully offset by higher volume-related expenses associated with the increase in capacity and demand, mainly fuel and aircraft maintenance and higher salaries and related costs and an increase in expenses related to refinery sales to third parties, reflected in ancillary business and refinery expense. Total operating expense, adjusted (a non-GAAP financial measure) increased \$5.1 billion, or 21% compared to 2020.

Our CASM decreased 35% to 14.40 cents compared to 2020, primarily due to a 45% increase in capacity and reduction in operating expense from the reduction in restructuring charges and recognition of the PSP2 and PSP3 grants as noted above. CASM-Ex (a non-GAAP financial measure) decreased 22% to 12.12 cents.

*Item 7. MD&A - Financial Highlights*

*Non-Operating Results.* Total non-operating expense was \$1.5 billion in 2021, \$1.6 billion lower than 2020 primarily due to impairments and our proportionate share of equity method losses related to our investments in LATAM and Grupo Aeroméxico in 2020, which were zero in 2021, and mark-to-market gains on certain of our other equity investments. These decreases were partially offset by higher interest expense as a result of our increased debt balances due to the financing arrangements entered into during 2020 and losses on debt extinguishment.

*Cash Flow.* The \$1.3 billion of free cash flow generated in 2021 compared to \$4.3 billion of negative free cash flow in 2020.

*Environmental Sustainability*

During 2021, we built on our previously announced plan to invest \$1.0 billion through the end of 2030 toward airline carbon neutrality by committing to, among other things, set medium- and long-term climate goals that are aligned with applicable SBTi frameworks, as described further in Part I, Item 1, "Business - Environmental Sustainability." We expect our path toward achievement of these ambitious climate goals to depend heavily on increased use of SAF, which is not presently available at scale or at prices competitive to jet fuel, and improved fuel efficiency from fleet renewal and operational initiatives. During 2021, we signed agreements with numerous corporate and agency customers to offset the premium from our SAF purchases. While we do not expect a material adverse effect on our Consolidated Financial Statements in the near term from the use of SAF, we are unable to predict the financial impact of increased use of SAF on our Consolidated Financial Statements over the longer term, as government policies and incentives for, and sufficient third-party investment in, SAF are necessary to make its use in larger quantities commercially and economically feasible. In addition, our fleet renewal efforts will require extensive capital investment in future periods.

In the near-term and subject to market dynamics, we also expect to continue the purchase and retirement of verified carbon offsets in support of our \$1.0 billion airline carbon neutrality goal. During 2021, we incurred \$95 million of expense related to carbon offsets. This amount consists of \$30 million to address 13 million metric tons of carbon emissions generated by our airline segment from March 1 to December 31, 2020 through carbon offsets, as well as an additional \$65 million for the purchase and retirement of carbon offsets related to a portion of our airline segment's 2021 carbon emissions. The cost of carbon offsets increased significantly during 2021 and will likely continue to do so, which could adversely affect our financial results as we purchase such offsets either in support of our \$1.0 billion airline carbon neutrality goal or in satisfaction of future obligations under CORSIA, which are described further in Part I, Item 1, "Business - Environmental Regulation."

## Item 7. MD&A - Results of Operations

### Results of Operations

#### Operating Revenue

(in millions) (1)	Year Ended December 31,		Increase (Decrease)	% Increase (Decrease)	
	2021	2020			
Ticket - Main cabin	\$ 11,626	\$ 6,676	\$ 4,950	74	%
Ticket - Business cabin and premium products	7,713	4,294	3,419	80	%
Loyalty travel awards	1,786	935	851	91	%
Travel-related services	1,394	978	416	43	%
Total passenger revenue	\$ 22,519	\$ 12,883	\$ 9,636	75	%
Cargo	1,032	608	424	70	%
Other	6,348	3,604	2,744	76	%
Total operating revenue	\$ 29,899	\$ 17,095	\$ 12,804	75	%
TRASM (cents)	15.37 ¢	12.73 ¢	2.64 ¢	21	%
Third-party refinery sales (2)	(1.66)	(0.86)	(0.80)	93	%
TRASM, adjusted (cents)	13.71 ¢	11.87 ¢	1.84 ¢	16	%

(1) Total amounts in the table above may not calculate exactly due to rounding.

(2) For additional information on adjustments to TRASM, see "Supplemental Information" below.

#### Operating Revenue

Our operating revenue increased \$12.8 billion, or 75%, compared to the year ended December 31, 2020 due primarily to increased demand in 2021 as a result of the continued recovery from the COVID-19 pandemic. The increase in operating revenue, on a 45% increase in capacity, generated a 21% increase in total revenue per available seat mile ("TRASM") and a 16% increase in TRASM, adjusted (a non-GAAP financial measure) compared to 2020.

See "Refinery Segment" below for additional details on the refinery's operations, including third-party refinery sales recorded in other revenue, during each period.

We have historically generated cargo revenues in domestic and international markets through the use of cargo space on regularly scheduled passenger aircraft. In 2020, following the onset of the COVID-19 pandemic, reduced industry cargo capacity drove a significant increase in our cargo yield, and we also generated cargo revenue through the operation of cargo-only charter flights (i.e., using aircraft in our fleet not being utilized for passenger travel to fly cargo internationally). This trend continued in 2021, and we would expect capacity constraints and elevated market yields to continue through 2022 while the industry rebuilds international networks to pre-pandemic levels. Compared to 2020, we flew additional cargo volume as international networks returned, coupled with a continued increase in yield driven by a combination of constrained capacity and increased demand.

#### Passenger Revenue by Geographic Region

(in millions)	Year Ended December 31, 2021	Increase (Decrease) vs. Year Ended December 31, 2020						
		Passenger Revenue	RPMs (Traffic)	ASMs (Capacity)	Passenger Mile Yield	PRASM	Load Factor	
Domestic	\$ 18,468	84 %	98 %	45 %	(7) %	27 %	20	pts
Atlantic	1,777	52 %	56 %	42 %	(3) %	7 %	5	pts
Latin America	1,873	68 %	82 %	79 %	(8) %	(6) %	1	pt
Pacific	401	(28) %	(55) %	(2) %	58 %	(26) %	(27)	pts
Total passenger revenue	\$ 22,519	75 %	83 %	45 %	(5) %	21 %	15	pts

## *Item 7. MD&A - Results of Operations*

### *Domestic*

Domestic passenger unit revenue ("PRASM") for the year ended December 31, 2021 increased 27% with capacity up 45% compared to the year ended December 31, 2020 as a result of the low levels of capacity and demand during 2020 due to the COVID-19 pandemic and the ongoing recovery throughout 2021.

Beginning in the latter half of the March 2021 quarter, we began to see bookings, primarily leisure, improve from the low levels of 2020. Throughout 2021, demand continued to improve, with some variability in periods of rising COVID-19 cases attributable to variants of the virus. We remain optimistic about the ultimate recovery of business travel which has been recovering at a slower pace than consumer. We expect this demand to continue to be led by small- and medium-sized businesses and accelerate in the first half of 2022 as more corporate offices reopen; we are, however, unable to fully predict the pace of that recovery.

### *International*

International passenger revenue for the year ended December 31, 2021 increased 43% with capacity up 45% compared to the year ended December 31, 2020 as travel to certain destinations has resumed or increased. Additionally, while some countries have removed or eased travel restrictions, many countries maintained or reinstituted international testing requirements and travel restrictions, which have restrained demand in the short term but are expected to support the long-term recovery of international air travel.

In November 2021, travel restrictions on most fully vaccinated foreign visitors to the United States were lifted. This action made travel to the U.S. by many foreign nationals possible for the first time in 18 months. Despite this policy change, we expect the significantly lower international demand environment to continue through at least the beginning of 2022, with the recovery pace continuing to trail domestic travel.

The Atlantic and Pacific regions continue to be the most impacted by the restrictions described above. However, during 2021, we began, resumed or increased our service to certain countries in the Atlantic region based on their lifting or easing of travel restrictions. Travel in the Pacific region is largely limited to essential travel, and we expect only small demand improvements until government restrictions ease with minimal improvement until at least the second half of 2022. We will continue to be agile in the restoration of our international network based on changes in government restrictions and consumer demand.

The Latin America region has shown the most recovery of the international regions, with continued demand improvement for leisure destinations in the Caribbean, Mexico and Central America. We expect this trend to continue through 2022 with the recovery in the Atlantic and Pacific regions lagging behind Latin America.

### *Ticket Validity Flexibility*

In order to provide our customers more flexibility and time to plan or rebook their travel, we made the following changes to our ticket and travel credit expiration dates.

In the March 2021 quarter, we announced the extension of the validity of all passenger tickets and travel credits purchased or expiring in 2021 to December 31, 2022, which allowed for tickets to be rebooked through December 31, 2022 for travel through 2023.

In January 2022, we announced that all existing travel credit holders will have until December 31, 2023 to rebook their ticket for travel throughout 2024. Additionally, all Delta customers with upcoming 2022 travel or who purchase a ticket in 2022 will also have the flexibility to rebook their ticket through December 31, 2023, and travel throughout 2024.

During 2020, with the exception of Basic Economy, we eliminated change fees for all tickets originating in North America and waived change fees for tickets originating outside of North America. We also implemented a temporary waiver that allowed Basic Economy tickets with travel for 2021, which are normally non-changeable, to be changed without paying a fee regardless of origin or destination. Starting January 1, 2022, Basic Economy tickets may be cancelled for a fee to receive a partial ticket credit. We do not expect the updated change fee policies to materially affect our revenue in future periods; however, our estimates of revenue that will be recognized for tickets that expire unused ("ticket breakage") may vary in future periods due to the extension of the validity of passenger tickets and travel credits.



Item 7. MD&A - Results of Operations

Other Revenue

(in millions)	Year Ended December 31,		Increase (Decrease)	% Increase (Decrease)	
	2021	2020			
Refinery	\$ 3,229	\$ 1,150	\$ 2,079	181	%
Loyalty program	1,770	1,458	312	21	%
Ancillary businesses	793	648	145	22	%
Miscellaneous	556	348	208	60	%
Total other revenue	\$ 6,348	\$ 3,604	\$ 2,744	76	%

**Refinery.** This represents refinery sales to third parties. These sales, which are at or near cost, increased \$2.1 billion compared to 2020. The increase in third-party refinery sales resulted from the refinery's shift to producing and selling more non-jet fuel products due to the lower level of demand for jet fuel compared to historical levels, in addition to higher pricing during 2021. See "Refinery Segment" below for additional details on the refinery's operations, including third-party refinery sales recorded in other revenue, during each period.

**Loyalty Program.** Loyalty program revenues relate to brand usage by third parties and other performance obligations embedded in miles sold, including redemption of miles for non-travel awards. These revenues are mainly driven by customer spend on American Express cards and new cardholder acquisitions. As co-brand card spend and card acquisitions continue to be strong, revenues from our relationship with American Express increased in the year ended December 31, 2021 compared to 2020.

**Ancillary Businesses.** Ancillary businesses includes aircraft maintenance services we provide to third parties and our vacation wholesale operations.

**Miscellaneous.** Miscellaneous revenue is primarily composed of lounge access, including access provided to certain American Express cardholders, and codeshare revenues. Compared to 2020, these transactions have increased due to the ongoing recovery of our business that continued to materialize in 2021. Our network of Delta Sky Club lounges was fully reopened by the end of July 2021 after some lounges temporarily closed at the onset of the pandemic in 2020.

*Item 7. MD&A - Results of Operations*  
*Operating Expense*

(in millions)	Year Ended December 31,		Increase (Decrease)	% Increase (Decrease)	
	2021	2020			
Salaries and related costs	\$ 9,728	\$ 9,001	\$ 727	8	%
Aircraft fuel and related taxes	5,633	3,176	2,457	77	%
Ancillary businesses and refinery	3,957	1,785	2,172	122	%
Contracted services	2,420	1,953	467	24	%
Landing fees and other rents	2,019	1,833	186	10	%
Depreciation and amortization	1,998	2,312	(314)	(14)	%
Regional carrier expense	1,736	1,584	152	10	%
Aircraft maintenance materials and outside repairs	1,401	822	579	70	%
Passenger commissions and other selling expenses	953	643	310	48	%
Passenger service	756	551	205	37	%
Aircraft rent	430	399	31	8	%
Restructuring charges	(19)	8,219	(8,238)	(100)	%
Profit sharing	108	—	108	NM	
Government grant recognition	(4,512)	(3,946)	(566)	14	%
Other	1,405	1,232	173	14	%
Total operating expense	\$ 28,013	\$ 29,564	\$ (1,551)	(5)	%

In response to the reduced demand and related reduction in revenue following the onset of the COVID-19 pandemic in early 2020, we quickly reduced capacity to more closely align with demand, implemented cost saving initiatives related to our fleet and operations, offered employees voluntary separation programs and delayed or eliminated nearly all discretionary spending.

During 2021, distribution of vaccines continued, travel restrictions and advisories eased and customer confidence continued to grow despite the negative impact of COVID-19 virus variants in the second half of 2021. As a result, we saw revenue and capacity return and related operating expense line items increase. The continued restoration of our operations was the primary driver for the increases in contracted services, landing fees and other rents, passenger commissions and other selling expenses, passenger service and other expense. Other year-over-year fluctuations are discussed below.

*Salaries and Related Costs.* In the second half of 2020, approximately 18,000 employees elected to participate in voluntary separation programs, which initially reduced our workforce by approximately 20%, though some of those positions have subsequently been filled. Since the beginning of 2021, we have hired approximately 11,000 employees in certain areas, including flight operations, airport customer service and reservations and customer care, in order to support our operations as demand and capacity return.

Beginning in March 2020 and continuing through December 2020, we reduced salaries by 100% for our CEO and 50% for our officers. In addition, we reduced work hours by 25% for all other management and most front-line employee work groups. On January 1, 2021, employees were restored to full work hours, officer salaries were restored and during 2021 we recalled approximately 1,700 pilots from inactive status back to active service. Additionally, we offered voluntary unpaid leaves of absence for periods ranging from 30 days up to 12 months and approximately 50,000 and 20,000 of our employees elected to take a leave of absence at various times throughout 2020 and 2021, respectively. These actions resulted in higher salaries and related costs in 2021 compared to 2020.

**Item 7. MD&A - Results of Operations**

**Aircraft Fuel and Related Taxes.** Fuel expense increased \$2.5 billion compared to 2020 primarily due to a 44% increase in consumption on a 45% increase in capacity, and a 31% increase in the market price of jet fuel.

Additionally, during 2021, we purchased and retired \$95 million of carbon offsets, of which \$30 million relates to 13 million metric tons of carbon emissions generated by our airline segment from March 1 to December 31, 2020 as well as \$65 million which relates to a portion of 2021 carbon emissions generated by our airline segment. In the table below, these costs are shown in the carbon offset costs line item.

**Fuel expense and average price per gallon**

(in millions, except per gallon data)	Year Ended December 31,			Average Price Per Gallon		
			Increase (Decrease)			Increase (Decrease)
	2021	2020		2021	2020	
Fuel purchase cost (1)	\$ 5,527	\$ 2,938	\$ 2,589	\$ 1.99	\$ 1.52	\$ 0.47
Carbon offset costs	95	—	95	0.03	—	0.03
Fuel hedge impact	9	22	(13)	—	0.01	(0.01)
Refinery segment impact	2	216	(214)	—	0.11	(0.11)
Total fuel expense	\$ 5,633	\$ 3,176	\$ 2,457	\$ 2.02	\$ 1.64	\$ 0.38

(1) Market price for jet fuel at airport locations, including related taxes and transportation costs.

**Ancillary Businesses and Refinery.** Ancillary businesses and refinery includes expenses associated with refinery sales to third parties, aircraft maintenance services we provide to third parties and our vacation wholesale operations. Increased expenses were primarily related to refinery sales to third parties, which are at or near cost and increased \$2.1 billion compared to 2020. The increase compared to 2020 was driven by higher pricing during 2021, with lower production and demand for both jet and non-jet fuel products during 2020. The cost of aircraft maintenance services we provide to third parties increased compared to 2020 due to the increase in flights operated worldwide in 2021.

**Depreciation and Amortization.** Depreciation and amortization decreased compared to 2020 primarily due to the aircraft that were retired or impaired during 2020. As we acquire new aircraft to provide an improved customer experience, greater fuel efficiency and thus reduced carbon emissions, better operating economics and more premium products, we expect depreciation expense to increase in future years.

**Regional Carrier Expense.** Regional carrier expense increased compared to 2020 due to an increase in utilization as a result of the increased demand discussed above.

Until 2021, we allocated certain costs (such as landing fees and other rents, salaries and related costs and contracted services) to regional carrier expense in our Consolidated Statements of Operations ("income statement") based on relevant statistics (such as passenger counts). Beginning in 2021 we ceased performing this allocation and have reclassified the costs presented in prior periods to align with this presentation. This reclassification better reflects the nature of, and how management views, these regional carrier related expenses. This allocation was approximately \$900 million in 2020. The amounts in regional carrier expense under the current presentation represent the accrual of payments to our regional carriers under capacity purchase agreements, maintenance costs related to our regional fleet and the expenses of our wholly owned regional subsidiary, Endeavor Air, Inc.

**Aircraft Maintenance Materials and Outside Repairs.** Maintenance expense increased compared to 2020 as we returned aircraft to service and to support our operational reliability. The increase compared to 2020 was particularly pronounced due to the significantly reduced capacity during 2020 and the large number of aircraft we had parked during that time.

**Aircraft Rent.** Most aircraft operating lease expenses are recorded in aircraft rent and are contractually fixed. Therefore, the increase in aircraft rent was more muted than our other operating expense line items when compared to 2020.

**Restructuring Charges.** During 2020, we recorded restructuring charges of \$8.2 billion for items such as fleet impairments and voluntary early retirement and separation programs following strategic business decisions in response to the COVID-19 pandemic. In the year ended December 31, 2021, we recognized \$19 million of adjustments to certain of those restructuring charges, representing changes in our estimates. See Note 15 of the Notes to the Consolidated Financial Statements for additional information about the restructuring charges recorded in 2020.

**Item 7. MD&A - Results of Operations**

**Profit Sharing.** To recognize the extraordinary efforts of our employees through the pandemic, we will make a special profit-sharing payment to eligible employees in February 2022, based on the adjusted pre-tax profit earned during the second half of 2021.

**Government Grant Recognition.** During the year ended December 31, 2021, we received a total of \$6.4 billion under the PSP2 and PSP3 agreements with the U.S. Department of the Treasury, which we were required to use exclusively for the payment of employee wages, salaries and benefits. The support payments included grants totaling \$4.5 billion that were recognized as contra-expense in 2021 over the period that the funds were used. The amount recognized in 2021 exceeded the amount recognized during 2020 due to the increase in grants received during the year. See Note 6 of the Notes to the Condensed Consolidated Financial Statements for additional information on PSP2 and PSP3.

**Non-Operating Results**

(in millions)	Year Ended December 31,		Favorable (Unfavorable)
	2021	2020	
Interest expense, net	\$ (1,279)	\$ (929)	\$ (350)
Impairments and equity method losses	(337)	(2,432)	2,095
Gain/(loss) on investments, net	56	(105)	161
Loss on extinguishment of debt	(319)	(8)	(311)
Pension and related benefit/(expense)	451	219	232
Miscellaneous, net	(60)	137	(197)
Total non-operating expense, net	\$ (1,488)	\$ (3,118)	\$ 1,630

**Interest expense, net.** Interest expense, net includes interest expense and interest income. This increased as a result of the additional interest expense related to financing arrangements entered into during 2020. See Note 6 of the Notes to the Consolidated Financial Statements for additional information on recent financings and repayments. We have begun reducing the total amount of interest expense by pre-paying our debt in addition to periodic amortization payments and scheduled maturities. This began with early repayments made during the December 2020 quarter and continued with multiple early repayments during 2021 including the early repayment of our \$1.5 billion secured term loan, approximately \$450 million of various Enhanced Equipment Trust Certificates ("EETCs"), approximately \$850 million of certain notes through a cash tender offer and \$647 million of other secured certificates, unsecured notes and a portion of the SkyMiles Term Loan through repurchases on the open market. We will continue to seek opportunities to pre-pay our debt, in addition to periodic amortization payments and scheduled maturities, during 2022 and beyond.

**Impairments and equity method losses.** Impairments and equity method losses in 2021 reflect our share of Virgin Atlantic's equity method losses. Impairments and equity method losses in 2020 reflected our share of LATAM and Grupo Aeroméxico's equity method results prior to their respective bankruptcy filings, our share of Virgin Atlantic's equity method results and the impairments reducing the basis of these investments to zero during the June 2020 quarter. See Note 4 of the Notes to the Consolidated Financial Statements for additional information on our equity investments.

**Gain/(loss) on investments, net.** See Note 4 of the Notes to the Consolidated Financial Statements for additional information on our equity investments measured at fair value on a recurring basis.

**Loss on extinguishment of debt.** Loss on extinguishment of debt reflects the losses incurred in the early repayment of the notes, outstanding term loan and EETCs mentioned above. See Note 6 of the Notes to the Consolidated Financial Statements for additional information on the early repayment of debt.

**Pension and related benefit/(expense).** Pension and related benefit/(expense) reflects the net periodic benefit/(cost) of our pension and other postretirement and postemployment benefit plans. Based on our current level of funding, we have modified, and continue to evaluate, the asset allocation mix to reduce the investment risk of the portfolio. The lower risk profile of the portfolio is projected to result in a lower expected long-term rate of return on plan assets in 2022. We expect pension and related benefits to decline in 2022 compared to 2021. See Note 9 of the Notes to the Consolidated Financial Statements for additional information on our employee benefit plans.

**Miscellaneous, net.** Miscellaneous, net primarily includes foreign exchange gains/(losses) and charitable contributions. Miscellaneous, net in 2020 included the \$240 million gain recognized as a result of the combination of Delta Private Jets with Wheels Up in January 2020.

*Item 7. MD&A - Income Taxes*  
Income Taxes

Our effective tax rate for 2021 was 30%. As of December 31, 2021, we had approximately \$4.8 billion of U.S. federal pre-tax net operating loss carryforwards, of which \$1.1 billion was generated prior to 2018 and will not begin to expire until 2029. Under current tax law, the remaining amount has no expiration.

For more information about our income taxes, see Note 11 of the Notes to the Consolidated Financial Statements.

Refinery Segment

The refinery operated by our wholly-owned subsidiary Monroe primarily produces gasoline, diesel and jet fuel. Monroe has agreements in place to exchange the non-jet fuel products the refinery produces with third parties for jet fuel consumed in our airline operations. Historically, the jet fuel produced and procured through exchanging gasoline and diesel fuel produced by the refinery provided approximately 200,000 barrels per day, or approximately 75% of our pre-COVID-19 pandemic consumption, for use in our airline operations.

The refinery's production has also been altered by the dramatic change in economic conditions caused by the COVID-19 pandemic. During 2021, the refinery progressively increased operations, ending the year at near pre-pandemic levels.

Refinery segment financial information

(in millions, except per gallon data)	Year Ended December 31,		% Increase (Decrease)	
	2021	2020		
Exchange products	\$ 2,293	\$ 1,472	56	%
Sales of refined products	40	307	(87)	%
Sales to airline segment	492	214	130	%
Third-party refinery sales	3,229	1,150	181	%
Operating revenue	<u>\$ 6,054</u>	<u>\$ 3,143</u>	93	%
Operating loss	\$ (2)	\$ (216)	(99)	%
Refinery segment impact on average price per fuel gallon	\$ —	\$ 0.11	(100)	%

Refinery revenues increased from \$3.1 billion in 2020 to \$6.1 billion in 2021, primarily driven by the increase in third-party refinery sales. The increase in third-party refinery sales resulted from the refinery's shift to producing and selling more non-jet fuel products due to the lower level of demand for jet fuel compared to historical levels, in addition to higher pricing during 2021. The refinery decreased its operating loss from \$216 million in 2020 to \$2 million in 2021 mainly due to the increased production and pricing, partially offset by higher Renewable Identification Numbers ("RINs") compliance costs discussed below.

A refinery is subject to annual EPA requirements to blend renewable fuels into the gasoline and on-road diesel fuel it produces. Alternatively, a refinery may purchase RINs from third parties in the secondary market. The Monroe refinery purchases the majority of its RINs in the secondary market. Monroe incurred \$422 million in RINs compliance costs during 2021, of which \$98 million related to accrual rate increases on the prior year obligation, in addition to \$172 million accrued in 2020. Observable RIN prices increased significantly through the first half of 2021, ending 2021 at nearly double the market price at the end of 2020.

At December 31, 2021, we had a net fair value obligation of \$497 million. Our obligation as of December 31, 2021 was calculated using the EPA's proposed Renewable Fuel Standard ("RFS") volume requirements for 2020 and 2021, which were issued in December 2021. The EPA has not finalized the compliance deadlines to retire our obligations for 2020 and 2021, but we expect those deadlines to be within one year of the effective date of the new RFS volume requirements.

For more information regarding the refinery's results, see Note 14 of the Notes to the Consolidated Financial Statements.

*Item 7. MD&A - Operating Statistics*

Operating Statistics

Consolidated <sup>(1)</sup>	Year Ended December 31,		
	2021	2020	2019
Revenue passenger miles (in millions)	134,692	73,412	237,680
Available seat miles (in millions)	194,474	134,339	275,379
Passenger mile yield	16.72 ¢	17.55 ¢	17.79 ¢
Passenger revenue per available seat mile ("PRASM")	11.58 ¢	9.59 ¢	15.35 ¢
Total revenue per available seat mile ("TRASM")	15.37 ¢	12.73 ¢	17.07 ¢
TRASM, adjusted <sup>(2)</sup>	13.71 ¢	11.87 ¢	16.97 ¢
Cost per available seat mile ("CASM")	14.40 ¢	22.01 ¢	14.67 ¢
CASM-Ex <sup>(2)</sup>	12.12 ¢	15.61 ¢	10.88 ¢
Passenger load factor	69 %	55 %	86 %
Fuel gallons consumed (in millions)	2,778	1,935	4,214
Average price per fuel gallon <sup>(3)</sup>	\$ 2.02	\$ 1.64	\$ 2.02
Average price per fuel gallon, adjusted <sup>(2)(3)</sup>	\$ 2.02	\$ 1.64	\$ 2.01
Approximate full-time equivalent employees, end of period	83,000	74,000	91,000

<sup>(1)</sup>Includes the operations of our regional carriers under capacity purchase agreements. Full-time equivalent employees exclude employees of regional carriers that we do not own.

<sup>(2)</sup>Non-GAAP financial measures are defined and reconciled to TRASM, CASM and average fuel price per gallon, respectively, in "Supplemental Information" below.

<sup>(3)</sup>Includes the impact of fuel hedge activity, refinery segment results and carbon offset costs.

*Item 7. MD&A - Financial Condition and Liquidity*  
Financial Condition and Liquidity

As of December 31, 2021, we had \$14.2 billion in cash, cash equivalents, short-term investments and aggregate principal amount committed and available to be drawn under our revolving credit facilities. We expect to meet our liquidity needs for the next twelve months with cash and cash equivalents, short-term investments, restricted cash equivalents and cash flows from operations. We expect to meet our long-term liquidity needs with cash flows from operations and financing arrangements. We are continuing to evaluate the appropriate level of liquidity to maintain following the COVID-19 pandemic though, at least in the near term, we expect this level to be higher than the liquidity maintained prior to the pandemic. By 2024, we expect liquidity to be between \$5 billion and \$6 billion as we work to reduce our financial obligations and reinvest in the business.

*Sources and Uses of Liquidity*

*Operating Activities*

Operating activities in 2021 provided \$3.3 billion, including funds received from the government support programs described in "Financing Activities" below, compared to using \$3.8 billion in 2020. We expect to continue generating positive cash flows from operations during 2022.

Our operating cash flow is impacted by the following factors:

*Seasonality of Advance Ticket Sales.* We sell tickets for air travel in advance of the customer's travel date. When we receive a cash payment at the time of sale, we record the cash received on advance sales as deferred revenue in air traffic liability. The air traffic liability typically increases during the winter and spring months as advanced ticket sales grow prior to the summer peak travel season and decreases during the summer and fall months. However, the reduction in demand for air travel due to the COVID-19 pandemic resulted in a lower level of advance bookings and the associated cash received than we have historically experienced which has impacted the typical seasonal trend of air traffic liability since March 2020.

Domestic demand has improved since the latter half of the March 2021 quarter as consumers have regained confidence to travel and increased ticket purchases for travel further in advance. We experienced small moderations in demand growth during parts of the second half of 2021 due to a rise in COVID-19 cases attributable to COVID-19 virus variants. Our air traffic liability remains above historical levels with travel credits representing approximately 45% of the balance as of December 31, 2021. This compares to approximately 65% as of December 31, 2020 and approximately 20% prior to the onset of the COVID-19 pandemic.

*Fuel.* Fuel expense represented approximately 20% of our total operating expense during 2021. The market price for jet fuel is volatile, which can impact the comparability of our periodic cash flows from operations. The average fuel price per gallon increased in 2021. As capacity and demand increased throughout the year, fuel consumption was higher in 2021 than 2020 as well. We expect that fuel consumption will continue to increase throughout 2022 as we return closer to pre-pandemic levels of demand for air travel, partially offset by increases in fuel efficiency of our fleet.

We expect our commitment to environmental sustainability to depend on increased use of SAF, which is not presently available at scale or at prices competitive to jet fuel. While we do not expect a material adverse effect on our Consolidated Financial Statements in the near-term from the use of SAF, we are unable to predict the financial impact of increased use of SAF on our Consolidated Financial Statements over the longer term as government policies and incentives for, and sufficient third-party investment in, SAF are necessary to make its use in larger quantities commercially and economically feasible.

*Employee Benefit Obligations.* We sponsor defined benefit pension plans for eligible employees and retirees. These plans are closed to new entrants and are frozen for future benefit accruals. Our funding obligations for these plans are governed by the Employee Retirement Income Security Act ("ERISA") and any applicable legislation. We had no minimum funding requirements in 2020 or 2021, and have no such requirements in 2022. However, we voluntarily contributed \$1.5 billion to these plans during 2021. At this level of funding, investment returns are expected to satisfy future benefit payments, which we believe would eliminate further material voluntary or required cash contributions to the plans under the terms of ERISA. Further, based on this level of funding, we have modified, and continue to evaluate, the asset allocation mix to reduce the investment risk of the portfolio. Estimates of future funding requirements are based on various assumptions and could vary materially from actual funding requirements. Assumptions include, among other things, the actual and projected market performance of assets, statutory requirements and demographic data for participants.

*Item 7. MD&A - Financial Condition and Liquidity*

In addition, we have employee benefit obligations relating primarily to projected future benefit payments from our unfunded postretirement and postemployment plans. See Note 9 of the Notes to the Consolidated Financial Statements for more information on our employee benefit obligations.

*Voluntary Separation Programs.* In 2020, we recorded a \$3.4 billion charge associated with voluntary early retirement and separation programs and other employee benefit charges. Approximately \$575 million of this charge was disbursed in cash payments to participants during 2021 in addition to \$720 million disbursed in 2020. We anticipate that a total of approximately \$500 million in cash payments will be made to participants in the voluntary separation programs in 2022 and the remaining payments in 2023 and beyond.

*Profit Sharing.* Our broad-based employee profit sharing program provides that, for each year in which we have an annual pre-tax profit, as defined by the terms of the program, we will pay a specified portion of that profit to employees. We did not have a profit sharing payment for 2020 based on the pre-tax loss incurred in that year.

To recognize the extraordinary efforts of our employees through the pandemic, we will make a special profit-sharing payment to eligible employees in February 2022, based on the adjusted pre-tax profit earned during the second half of 2021. We will pay \$108 million in profit sharing in February 2022.

*Government Support Programs.* See "Financing Activities" below for discussion of the impact to our liquidity from the government support programs in 2020 and 2021. We included \$4.5 billion and \$3.9 billion of grants received in our operating cash flow for the years ended December 31, 2021 and 2020, respectively.

*Contract Carrier Obligations.* We have certain estimated minimum fixed obligations under capacity purchase agreements with third-party regional carriers. These minimum amounts are based on the required minimum levels of flying by the regional carriers under the respective agreements and assumptions regarding the costs associated with such minimum levels of flying. As of December 31, 2021 the total of these minimum amounts was \$11.7 billion, which range from approximately \$1.5 billion to \$1.6 billion on an annual basis over the next five years. See Note 10 of the Notes to the Consolidated Financial Statements for more information on our contract carrier obligations.

*Operating Lease Obligations.* As described further in Note 7 of the Notes to the Consolidated Financial Statements, as of December 31, 2021 we had a total of \$9.8 billion of minimum operating lease obligations. These minimum lease payments range from approximately \$800 million to \$1.0 billion on an annual basis over the next five years.

*New York-JFK Airport Expansion.* In 2015, we completed two phases of redevelopment at New York-JFK's Terminal 4 to facilitate convenient connections for our passengers and improve coordination with our SkyTeam alliance partners. Terminal 4 is operated by JFK International Air Terminal LLC ("IAT"), a private party, under its lease with the Port Authority of New York and New Jersey ("Port Authority"). In December 2010, we entered into a 33-year agreement with IAT to sublease space in Terminal 4. Also, in 2010, the Port Authority issued approximately \$800 million principal amount of special project bonds (the "Series 8 Bonds") to fund the majority of the project. In December 2020, the NYTDC issued approximately \$611 million principal amount of special project bonds to refinance the outstanding balance of the Series 8 Bonds. During 2021, we signed an amendment to the Sublease for additional gates at JFK, increasing our lease obligation by \$1.2 billion.

We continue to plan for further expansion of Terminal 4 and during 2021, the Port Authority approved modified project plans to renovate Terminal 4 and add 10 new gates enabling us to move out of Terminal 2 and consolidate our operations at Terminal 4. The project is estimated to cost approximately \$1.5 billion, and we expect to amend the Sublease in the March 2022 quarter. Construction started in late 2021 with the project estimated to be complete by the end of 2023.

*Other Obligations.* We have certain purchase obligations under which we are required to make minimum payments for goods and services, including, but not limited to, aviation-related, maintenance, insurance, marketing, technology, sponsorships and other third-party services and products. As of December 31, 2021, we had approximately \$8.0 billion of such obligations, which range from approximately \$300 million to \$800 million on an annual basis over the next five years.



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*Investing Activities*

**Short-Term Investments.** In 2021 we redeemed a net of \$2.4 billion in short-term investments. See Note 3 of the Notes to the Consolidated Financial Statements for further information on these investments.

**Capital Expenditures.** Our capital expenditures (i.e., property and equipment additions in our Consolidated Statements of Cash Flows ("cash flows statement")) were \$3.2 billion and \$1.9 billion in 2021 and 2020, respectively. Our capital expenditures are primarily related to the purchases of aircraft, airport construction projects, fleet modifications and technology enhancements.

We have committed to future aircraft purchases and have obtained, but are under no obligation to use, long-term financing commitments for a substantial portion of the purchase price of the aircraft. Excluding the New York-LaGuardia airport project discussed below, our expected 2022 capital expenditures of approximately \$6.0 billion, which may vary depending on financing decisions, will be primarily for aircraft, including deliveries and advance deposit payments, as well as fleet modifications and technology enhancements. As described in Part I, Item 1. "Business - Environmental Sustainability," aircraft fleet renewal is an important component of our environmental sustainability strategy and the path to achievement of our ambitious climate goals, which will continue to require extensive capital investment in future periods. See Note 10 of the Notes to the Consolidated Financial Statements for additional information regarding our aircraft purchase commitments, which totaled approximately \$16.2 billion as of December 31, 2021.

**New York-LaGuardia Redevelopment.** As part of the terminal redevelopment project at LaGuardia Airport, we are partnering with the Port Authority to replace Terminals C and D with a new state-of-the-art terminal facility consisting of 37 gates across four concourses connected to a central headhouse. The terminal will feature a new, larger Delta Sky Club, wider concourses, more gate seating and nearly double the amount of concessions space than the existing terminals. The facility will also offer direct access between the parking garage and terminal and improved roadways and drop-off/pick-up areas. The design of the new terminal will integrate sustainable technologies and improvements in energy efficiency. Construction is underway and is being phased to limit passenger inconvenience. Due to an acceleration effort that commenced in 2020, completion is expected by 2025.

In connection with the redevelopment, during 2017, we entered into an amended and restated terminal lease with the Port Authority with a term through 2050. Pursuant to the lease agreement, as amended to date, we will (1) fund (through debt issuance and existing cash) and undertake the design, management and construction of the terminal and certain off-premises supporting facilities, (2) receive a Port Authority contribution of approximately \$500 million to facilitate construction of the terminal and other supporting infrastructure, (3) be responsible for all operations and maintenance during the term of the lease and (4) have preferential rights to all gates in the terminal subject to Port Authority requirements with respect to accommodation of designated carriers. We currently expect our net project cost to be approximately \$3.5 billion and we bear the risks of project construction, including any potential cost over-runs. Using funding primarily provided by existing financing arrangements, we spent approximately \$950 million, which is primarily reflected in investing activities in our cash flows statement, during 2021, bringing the total amount spent on the project to date to approximately \$2.5 billion. We expect to spend approximately \$750 million during 2022, of which a majority will be paid using cash restricted for airport construction. See Note 6 of the Notes to the Consolidated Financial Statements for additional information on the debt related to this redevelopment project, the New York Transportation Development Corporation ("NYTDC") Special Facilities Revenue Bonds, Series 2018 and NYTDC Special Facilities Revenue Bonds, Series 2020.

In 2019, we opened Concourse G, the first of four new concourses, housing seven of the 37 new gates. Not only did the new Concourse G provide the first direct impact to the Delta passenger experience, it also represented the first major phasing milestone. The next major milestone will be the opening of the headhouse and Concourse E, which is scheduled for the second quarter of 2022.

**Los Angeles International Airport ("LAX") Construction.** We executed a modified lease agreement during 2016 with the City of Los Angeles (the "City"), which owns and operates LAX, and announced plans to modernize, upgrade and provide post-security connection to Terminals 2 and 3. Construction is underway, which includes a new centralized ticketing and arrival hall, a new security checkpoint, core infrastructure to support the City's planned airport people mover, ramp improvements and a post-security connector to the north side of the Tom Bradley International Terminal.

Given reduced passenger volumes resulting from the COVID-19 pandemic, we accelerated the construction schedule for this project in 2020. Additionally, in 2020, we enhanced the project's scope to include a more customer-friendly design of Terminal 3, an expanded Delta Sky Club and baggage system upgrades designed to increase the terminals' operational efficiency going forward. Construction is expected to be completed in 2023.

**Item 7. MD&A - Financial Condition and Liquidity**

The project is expected to cost approximately \$2.3 billion. A substantial majority of the project costs are being funded through the Regional Airports Improvement Corporation ("RAIC"), a California public benefit corporation, using a revolving credit facility provided by a group of lenders. The credit facility was executed in 2017 and amended in 2020, and we have guaranteed the obligations of the RAIC under the credit facility. The revolving credit facility agreement was amended again in January 2022, increasing the revolver capacity from \$800 million to \$1.1 billion. Loans made under the credit facility are being repaid with the proceeds from the City's purchase of completed project assets. Under the lease agreement and subsequent project component approvals by the City's Board of Airport Commissioners, the City has appropriated to date approximately \$1.8 billion to purchase completed project assets, representing the maximum allowable reimbursement by the City. Costs incurred in excess of the \$1.8 billion maximum will not be reimbursed by the City. We currently expect our net project costs to be approximately \$500 million, of which approximately \$250 million has been reflected as investing activities in our cash flows statement since the project started in 2017.

In 2021, \$487 million was spent on this project, with \$450 million paid by the credit facility and \$37 million paid directly by Delta. Approximately \$500 million is expected to be spent on the project during 2022, with \$325 million to be paid by the credit facility and \$175 million to be paid directly by Delta.

**Equity Investments.** To support our international presence, we are investing in Virgin Atlantic, Grupo Aeroméxico and LATAM as each carrier emerges from restructuring or recapitalization processes. After investing approximately \$630 million in these carriers during 2021, we expect to invest another approximately \$600 million during 2022 for a total combined investment of new capital in these carriers of approximately \$1.2 billion. Upon completion of their respective processes, we expect to receive an approximately 20% equity stake in Grupo Aeroméxico and an approximately 10% equity stake in LATAM, while maintaining our 49% equity stake in Virgin Atlantic. See Note 4 of the Notes to the Consolidated Financial Statements for additional information on our equity investments

**Financing Activities**

**Debt and Finance Leases.** See Note 6 of the Notes to the Consolidated Financial Statements for additional information on recent financings and repayments. In 2021, we had cash outflows of approximately \$5.8 billion related to repayments of our debt and finance leases, including approximately \$3.8 billion for the early repayment of the term loan secured by certain of our slots, gates and routes, various EETCs, certain notes through a cash tender offer and other various unsecured notes, secured certificates and SkyMiles term loan. We will continue to seek opportunities to pre-pay our debt, in addition to periodic amortization payments and scheduled maturities, during 2022 and beyond.

The principal amount of our debt and finance leases was \$27.1 billion at December 31, 2021.

**Future Debt Obligations.** As described further in Note 6 of the Notes to the Consolidated Financial Statements, as of December 31, 2021, scheduled maturities of our debt in 2022 and 2023 were \$1.5 billion and \$2.5 billion, respectively, with maturities from 2024 through 2026 ranging between \$3.1 billion and \$4.2 billion annually. As of December 31, 2021, scheduled maturities after 2026 aggregate to \$10.9 billion. In addition, we are obligated to make periodic interest payments at fixed and variable rates, depending on the terms of the applicable debt agreements. Based on applicable interest rates and scheduled debt maturities as of December 31, 2021, these interest obligations total approximately \$5.5 billion and range from approximately \$500 million to \$1.0 billion on an annual basis over the next five years. In addition to payment of scheduled debt maturities, we expect to continue paying down our debt in 2022, and therefore reduce our future interest obligations.

Our current ratings from the three major credit rating agencies are summarized in the table below:

**Credit agency ratings information**

Rating Agency	Current Rating	Outlook
Fitch	BB+	Negative
Moody's	Baa3	Stable
Standard & Poor's	BB	Stable

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*Finance Lease Obligations.* As described further in Note 7 of the Notes to the Consolidated Financial Statements as of December 31, 2021 we had a total of \$2.0 billion of minimum finance lease obligations. These minimum lease payments range from approximately \$200 million to \$400 million on an annual basis over the next five years.

*Undrawn Lines of Credit.* As of December 31, 2021 we had approximately \$2.9 billion undrawn and available under our revolving credit facilities. In addition, we had \$300 million outstanding letters of credit as of December 31, 2021 that did not affect the availability under our revolvers.

*Covenants.* We were in compliance with the covenants in our debt agreements at December 31, 2021. See Note 6 of the Notes to the Consolidated Financial Statements for more information on the covenants in our debt agreements.

*Item 7. MD&A - Critical Accounting Estimates*  
Critical Accounting Estimates

Our critical accounting estimates are those estimates made in accordance with GAAP that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our consolidated results of operations or financial condition. Accordingly, the actual results may differ materially from these estimates. For a discussion of our significant accounting policies, see Note 1 of the Notes to the Consolidated Financial Statements, unless otherwise noted below.

*Loyalty Program*

Our SkyMiles loyalty program generates customer loyalty by rewarding customers with incentives to travel on Delta. This program allows customers to earn mileage credits ("miles") by flying on Delta, Delta Connection carriers and other airlines that participate in the loyalty program. When traveling, customers earn miles primarily based on the passenger's loyalty program status, fare class and ticket price. Customers can also earn miles through participating companies such as credit card companies, hotels, car rental agencies and ridesharing companies. Miles are redeemable by customers in future periods for air travel on Delta and other participating airlines, access to our Sky Club and other program awards. To facilitate transactions with participating companies, we sell miles to non-airline businesses, customers and other airlines.

The loyalty program includes two types of transactions that are considered revenue arrangements with multiple performance obligations (1) passenger ticket sales earning miles and (2) sale of miles to participating companies.

*Passenger Ticket Sales Earning Miles.* Passenger ticket sales earning miles provide customers with (1) miles earned and (2) air transportation, which are each considered performance obligations. We value each performance obligation on a standalone basis. To value the miles earned, we consider the quantitative value a passenger receives by redeeming miles for a ticket rather than paying cash, which is referred to as equivalent ticket value ("ETV"). Our estimate of ETV is adjusted for miles that are not likely to be redeemed ("mileage breakage"). We use statistical models to estimate mileage breakage based on historical redemption patterns. A change in assumptions to the redemption activity for miles or the estimated fair value of miles expected to be redeemed could have a material impact on our revenue in the year in which the change occurs and in future years. We recognize mileage breakage proportionally during the period in which the remaining miles are actually redeemed.

At December 31, 2021, the aggregate deferred revenue balance associated with the SkyMiles program was \$7.6 billion. A hypothetical 10% change in the number of outstanding miles estimated to be redeemed would result in an impact of approximately \$140 million on total operating revenue recognized for the year ended December 31, 2021.

We defer revenue for the miles when earned and recognize loyalty travel awards in passenger revenue as the miles are redeemed and transportation is provided. We record the air transportation portion of the passenger ticket sales in air traffic liability and recognize passenger revenue when we provide transportation or if the ticket goes unused. A hypothetical 10% increase in our estimate of the ETV of a mile would have decreased total operating revenue by approximately \$60 million for the year ended December 31, 2021, as a result of an increase in the amount of revenue deferred associated with the miles earned.

*Sale of Miles to Participating Companies.* Customers earn miles based on their spending with participating companies such as credit card companies, hotels, car rental agencies and ridesharing companies with which we have marketing agreements to sell miles. Our contracts to sell miles under these marketing agreements have multiple performance obligations. Payments are typically due to us monthly based on the volume of miles sold during the period, and the initial terms of our marketing contracts are from three to eleven years. During the years ended December 31, 2021, 2020 and 2019, total cash sales from marketing agreements related to our loyalty program were \$4.1 billion, \$2.9 billion and \$4.2 billion, respectively, which are allocated to travel and other performance obligations, as discussed below.

Our most significant contract to sell miles relates to our co-brand credit card relationship with American Express. Our agreements with American Express provide for joint marketing, grant certain benefits to Delta-American Express co-branded credit card holders ("cardholders") and American Express Membership Rewards program participants, and allow American Express to market its services or products using our customer database. Cardholders earn miles for making purchases using co-branded cards, and certain cardholders may also check their first bag for free, are granted discounted access to Delta Sky Club lounges and receive priority boarding and other benefits while traveling on Delta. Additionally, participants in the American Express Membership Rewards program may exchange their points for miles under the loyalty program. We sell miles at agreed-upon rates to American Express which are then provided to their customers under the co-brand credit card program and the Membership Rewards program.

#### *Item 7. MD&A - Critical Accounting Estimates*

We account for marketing agreements, including those with American Express, by allocating the consideration to the individual products and services delivered. We allocate the value based on the relative selling prices of those products and services, which generally consist of award travel, priority boarding, baggage fee waivers, lounge access and the use of our brand. We determine our best estimate of the selling prices by using a discounted cash flow analysis using multiple inputs and assumptions, including (1) the expected number of miles awarded and number of miles redeemed, (2) ETV for the award travel obligation adjusted for mileage breakage, (3) published rates on our website for baggage fees, discounted access to Delta Sky Club lounges and other benefits while traveling on Delta, (4) brand value (using estimated royalties generated from the use of our brand) and (5) volume discounts provided to certain partners.

We defer the amount allocated to award travel as part of loyalty program deferred revenue and recognize loyalty travel awards in passenger revenue as the miles are redeemed and transportation is provided. Revenue allocated to services performed in conjunction with a passenger's flight, such as baggage fee waivers, is recognized as travel-related services in passenger revenue when the related service is performed. Revenue allocated to access Delta Sky Club lounges is recognized as miscellaneous in other revenue as access is provided. Revenue allocated to the remaining performance obligations, primarily brand value, is recorded as loyalty program in other revenue as miles are delivered.

The timing of mile redemptions can vary widely; however, the majority of new miles have historically been redeemed within two years of being earned. The loyalty program deferred revenue classified as a current liability represents our current estimate of revenue expected to be recognized in the next twelve months based on projected redemptions, while the balance classified as a noncurrent liability represents our current estimate of revenue expected to be recognized beyond twelve months. Compared to pre-pandemic levels, a larger portion of mile redemptions is projected to occur beyond twelve months and is therefore reflected as a noncurrent liability as of December 31, 2021. We will continue to monitor redemptions as the situation evolves.

For additional information on our significant accounting policies related to the loyalty program, see Note 2 of the Notes to the Consolidated Financial Statements.

#### *Passenger Ticket Sales*

We defer sales of passenger tickets to be flown by us or that we sell on behalf of other airlines in our air traffic liability. Passenger revenue is recognized when we provide transportation or when the ticket expires unused ("ticket breakage"). For tickets that we sell on behalf of other airlines, we reduce the air traffic liability when consideration is remitted to those airlines. The air traffic liability primarily includes sales of passenger tickets with scheduled departure dates in the future and credits which can be applied as payment toward the cost of a ticket ("travel credits"). Travel credits are typically issued as a result of ticket cancellations prior to their expiration dates. We periodically evaluate the estimated air traffic liability and may record adjustments in our income statement. These adjustments relate primarily to refunds, exchanges, ticket breakage, transactions with other airlines and other items for which final settlement occurs in periods subsequent to the sale of the related tickets at amounts other than the original sales price.

We have experienced significant ticket cancellations, particularly in the early months of the pandemic in 2020. During 2020, with the exception of Basic Economy, we eliminated change fees for all tickets originating in North America and waived change fees for tickets originating outside of North America. In the March 2021 quarter, we announced the extension of the validity of all passenger tickets and travel credits purchased or expiring in 2021 to December 31, 2022, which allowed for tickets to be rebooked through December 31, 2022 for travel through 2023. In January 2022, we announced that all existing travel credit holders will have until December 31, 2023 to rebook their ticket for travel throughout 2024. Additionally, all Delta customers with upcoming 2022 travel or who purchase a ticket in 2022 will also have the flexibility to rebook their ticket through December 31, 2023, and travel throughout 2024.

We estimate the value of ticket breakage and recognize revenue at the scheduled flight date. Our ticket breakage estimates are primarily based on historical experience, ticket contract terms and customers' travel behavior. Given the impact of the COVID-19 pandemic on customer behavior and changes made in ticket validity terms, as well as the elimination of change fees for most tickets, our estimates of revenue that will be recognized from the air traffic liability for unused tickets may vary in future periods. Travel credits represented approximately 45% of the air traffic liability as of December 31, 2021. This compares to approximately 65% as of December 31, 2020 and approximately 20% prior to the onset of the COVID-19 pandemic.

For additional information on our significant accounting policies related to passenger ticket sales, see Note 2 of the Notes to the Consolidated Financial Statements.

*Item 7. MD&A - Critical Accounting Estimates*  
*Long-Lived Assets*

Our long-lived assets, including flight equipment, which consists of aircraft and associated engines and parts, operating lease right-of-use ("ROU") assets and other long-lived assets, which have a recorded value of approximately \$36.0 billion at December 31, 2021, are recorded in property and equipment, net and operating lease right-of-use assets on our balance sheets. This value is based on various factors, including the assets' acquisition costs, estimated useful lives, salvage values, discounted lease payments and lease terms. We review flight equipment, ROU assets and other long-lived assets used in operations for impairment losses when events and circumstances indicate the assets may be impaired. Factors which could be indicators of impairment include, but are not limited to (1) a decision to permanently remove flight equipment or other long-lived assets from operations, (2) significant changes in the estimated useful life, (3) significant changes in projected cash flows, (4) permanent and significant declines in fleet fair values and (5) changes to the regulatory environment. For long-lived assets held for sale, we discontinue depreciation and record impairment losses when the carrying amount of these assets is greater than the fair value less the cost to sell.

To determine whether impairments exist for aircraft used in operations, we group assets at the fleet type level or at the contract level for aircraft operated by third-party regional carriers (i.e., the lowest level for which there are identifiable cash flows) and then estimate future cash flows based on projections of capacity, passenger mile yield, fuel and labor costs and other relevant factors. If an asset group is impaired, the impairment loss recognized is the amount by which the asset group's carrying amount exceeds its estimated fair value. We estimate aircraft fair values using published sources, appraisals and bids received from third parties, as available.

As a result of the COVID-19 pandemic and our response, we made decisions to remove certain aircraft from active service and to early retire certain fleets. We evaluated our fleet during 2020 and determined that only the fleet types discussed in Note 15 of the Notes to the Consolidated Financial Statements were impaired, as the future cash flows from the operation of other fleet types through the respective retirement dates exceeded the carrying value. This resulted in impairment and other related charges of \$4.4 billion, recorded in restructuring charges in our income statement. These charges were calculated using Level 3 fair value inputs based primarily upon recent market transactions and third-party bids, which were corroborated with published pricing guides and our assessment of existing market conditions based on industry knowledge. The effects of the COVID-19 pandemic created additional estimation uncertainty as there was a limited market for aircraft and limited data on how the COVID-19 pandemic affected the fair value of aircraft.

Due to the recovery in demand that we have experienced throughout 2021, we decided not to retire any additional aircraft and returned to service a majority of the aircraft that were temporarily parked in 2020. We recorded no further impairments during 2021. As we gained updated information during the year, we updated estimates to the 2020 fleet-related impairment charges and recorded adjustments of \$19 million to certain of the restructuring charges during 2021.

Following the impairment charges, the aggregate net book value of these aircraft as of December 31, 2021 and December 31, 2020 was approximately \$340 million and \$500 million, respectively, with the reduction in 2021 primarily due to aircraft sales. See Note 15 of the Notes to the Consolidated Financial Statements for additional details regarding these impairments and related charges.

*Goodwill and Indefinite-Lived Intangible Assets*

We apply a fair value-based impairment test to the carrying value of goodwill and indefinite-lived intangible assets on an annual basis (as of October 1) and, if certain events or circumstances indicate that an impairment loss may have been incurred, on an interim basis. We assess the value of our goodwill and indefinite-lived assets under either a qualitative or quantitative approach. Under a qualitative approach, we consider various market factors, including certain of the key assumptions listed below. We analyze these factors to determine if events and circumstances have affected the fair value of goodwill and indefinite-lived intangible assets. If we determine that it is more likely than not that the asset may be impaired, we use the quantitative approach to assess the asset's fair value and the amount of the impairment. Under a quantitative approach, we calculate the fair value of the asset incorporating the key assumptions listed below into our calculation.

When we evaluate goodwill for impairment using a quantitative approach, we estimate the fair value of the reporting unit by considering both comparable public company multiples (a market approach) and projected discounted future cash flows (an income approach). When we perform a quantitative impairment assessment of our indefinite-lived intangible assets, fair value is estimated based on (1) recent market transactions, where available, (2) the royalty method for the Delta tradename (which assumes hypothetical royalties generated from using our tradename) or (3) projected discounted future cash flows (an income approach).

#### *Item 7. MD&A - Critical Accounting Estimates*

**Key Assumptions.** The key assumptions in our impairment tests include (1) forecasted revenues, expenses and cash flows, including the duration and extent of impact to our business and our alliance partners from the COVID-19 pandemic, (2) current discount rates, (3) observable market transactions and (4) anticipated changes to the regulatory environment (e.g., changes in slot access and/or availability, additional Open Skies agreements or changes to antitrust approvals). These assumptions are consistent with those that hypothetical market participants would use. Because we are required to make estimates and assumptions when evaluating goodwill and indefinite-lived intangible assets for impairment, actual transaction amounts may differ materially from these estimates. In addition, when performing a qualitative valuation, we consider the amount by which the intangible assets' fair values exceeded their respective carrying values in the most recent fair value measurements calculated using a quantitative approach.

Changes in certain events and circumstances could result in impairment or a change from indefinite-lived to definite-lived. Factors which could cause impairment include, but are not limited to (1) negative trends in our market capitalization, (2) reduced profitability resulting from lower passenger mile yields or higher input costs (primarily related to fuel and employees), (3) lower passenger demand as a result of weakened U.S. and global economies, global pandemics or other factors, (4) interruption to our operations due to a prolonged employee strike, terrorist attack or other reasons, (5) changes to the regulatory environment (e.g., changes in slot access and/or availability, additional Open Skies agreements or changes to antitrust approvals), (6) competitive changes by other airlines and (7) strategic changes to our operations leading to diminished utilization of the intangible assets.

**Goodwill.** Our goodwill balance, which is related to the airline segment, was \$9.8 billion at December 31, 2021.

**Identifiable Intangible Assets.** Our identifiable intangible assets, which are related to the airline segment, had a net carrying amount of \$6.0 billion at December 31, 2021, of which \$5.9 billion related to indefinite-lived intangible assets. Indefinite-lived assets are not amortized and consist of routes, slots, the Delta tradename and assets related to alliances and collaborative arrangements. Definite-lived assets consist primarily of marketing and maintenance service agreements.

In 2021, we performed qualitative assessments of our goodwill and indefinite-lived intangible assets, including applicable factors noted in "Key Assumptions" above, and determined that there was no indication that the assets were impaired. Our qualitative assessments include analyses and weighting of all relevant factors, which impact the fair value of our indefinite-lived intangible assets.

For additional information on our goodwill and indefinite-lived intangible assets' significant accounting policies and the related fair values and book values, see Note 5 of the Notes to the Consolidated Financial Statements.

#### *Defined Benefit Pension Plans*

We sponsor defined benefit pension plans for eligible employees and retirees. These plans are closed to new entrants and frozen for future benefit accruals. As of December 31, 2021, the unfunded benefit obligation for these plans recorded on our Consolidated Balance Sheets ("balance sheets") was \$1.6 billion. We had no minimum funding requirements in 2020 or 2021, and have no such requirements in 2022. However, we voluntarily contributed \$1.5 billion to these plans during 2021. The most critical assumptions impacting our defined benefit pension plan obligations and net periodic benefit cost are the discount rate, the expected long-term rate of return on plan assets and life expectancy of plan participants.

**Weighted Average Discount Rate.** We determine our weighted average discount rate on our measurement date primarily by reference to annualized rates earned on high-quality fixed income investments and yield-to-maturity analyses specific to our estimated future benefit payments. We used a weighted average discount rate to value the obligations of 2.97% and 2.62% at December 31, 2021 and 2020, respectively. Our weighted average discount rate for net periodic benefit cost in each of the past three years has varied from the rate selected on our measurement date, ranging from 2.65% to 4.33%.

**Expected Long-Term Rate of Return.** Our expected long-term rate of return on plan assets is based primarily on plan-specific investment studies using historical market return and volatility data. Modest excess return expectations versus some public market indices are incorporated into the return projections based on the actively managed structure of the investment programs and their records of achieving such returns historically. We also expect to receive a premium for investing in less liquid private markets. We review our rate of return on plan assets assumptions annually. Our annual investment performance for one particular year does not, by itself, significantly influence our evaluation. Our weighted average expected long-term rate of return on assets for net periodic benefit cost for the year ended December 31, 2021 was 8.98%.

*Item 7. MD&A - Critical Accounting Estimates*

The investment strategy for our defined benefit pension plan assets is to earn a long-term return that meets or exceeds our annualized return target while taking an acceptable level of risk and maintaining sufficient liquidity to pay current benefits and other cash obligations of the plan. Based on our current level of funding, we have modified, and continue to evaluate, the asset allocation mix to reduce the investment risk of the portfolio. The lower risk profile of the portfolio is projected to result in a lower expected long-term rate of return on plan assets in 2022.

The impact of a 0.50% change in weighted average discount rate and 1.00% change in expected long-term rate of return on assets are shown in the table below:

**Benefit plan effects of change in assumptions used**

Change in Assumption	Effect on 2022 Pension Benefit Cost		Effect on Accrued Pension Liability at December 31, 2021	
0.50% decrease in weighted average discount rate	\$	(17) million	\$	1.2 billion
0.50% increase in weighted average discount rate	\$	14 million	\$	(1.1) billion
1.00% decrease in expected long-term rate of return on assets	\$	188 million	\$	—
1.00% increase in expected long-term rate of return on assets	\$	(188) million	\$	—

*Life Expectancy.* Changes in life expectancy may significantly impact our benefit obligations and future net periodic benefit cost. We use the Society of Actuaries ("SOA") published mortality data and other publicly available information to develop our best estimate of life expectancy. The SOA publishes updated mortality tables for U.S. plans and updated improvement scales. Each year we consider updates by the SOA in setting our mortality assumptions for purposes of measuring pension and other postretirement and postemployment benefit obligations.

*Funding.* Our funding obligations for qualified defined benefit plans are governed by the Employee Retirement Income Security Act and any applicable legislation. Under the Pension Protection Act of 2006, we elected alternative funding rules so that the unfunded liability for a frozen defined benefit plan may be amortized over a fixed 17-year period and is calculated using an 8.85% discount rate until the 17-year period expires for all frozen defined benefit plans by the end of 2024. Upon expiration, under recent legislation passed in 2021, any required funding would be amortized over a rolling 15-year period and calculated using a discount rate of no less than 4.75% through 2030.

While this recent legislation makes our funding obligations for these plans more predictable, factors outside our control continue to have an impact on the funding requirements. Estimates of future funding requirements are based on various assumptions and can vary materially from actual funding requirements. Assumptions include, among other things, the actual and projected market performance of assets, statutory requirements and demographic data for participants.

*Investments Valued at Net Asset Value ("NAV") Per Share.* On an annual basis we assess the potential for adjustments to the fair value of all investments. These investments valued using NAV as a practical expedient are typically valued on a monthly or quarterly basis by third-party administrators, valuation agents or fund managers with an annual audit performed by an independent third party, but certain of these investments have a lag in the availability of data. This primarily applies to private equity, private equity-related strategies and real assets. We solicit valuation updates from the investment fund managers and use their information and corroborating data from public markets to determine any needed fair value adjustments.

For additional information on our significant accounting policies related to defined benefit pension plans, see Note 9 of the Notes to the Consolidated Financial Statements.

*Income Tax Valuation Allowance*

We periodically assess whether it is more likely than not that we will generate sufficient taxable income to realize our deferred income tax assets. We establish valuation allowances if it is more likely than not that we will be unable to realize our deferred income tax assets. In making this determination, we consider available positive and negative evidence and make certain assumptions. We consider, among other things, projected future taxable income, scheduled reversals of deferred tax liabilities, the overall business environment, our historical financial results and tax planning strategies. In evaluating the likelihood of utilizing our net deferred income tax assets, the significant factors that we consider include (1) our recent history of significant profitability, (2) growth in the U.S. and global economies, (3) forecast of airline revenue trends, (4) estimate of future fuel prices and (5) future impact of taxable temporary differences.



*Item 7. MD&A - Critical Accounting Estimates*

At December 31, 2021 our net deferred tax asset balance was \$1.3 billion, including an \$833 million valuation allowance primarily related to capital loss carryforwards and certain state net operating losses. Although we have recent cumulative losses, we have a history of significant earnings prior to the onset of the COVID-19 pandemic. While we expect to return to sustained profitability as the effects of the pandemic subside and to generate sufficient taxable income to utilize our federal net operating loss carryforwards before any expire, the generation of future taxable income is dependent on many factors, including those which are out of our control, such as the demand for air travel and overall health of the economy. As such, there are no guarantees that a valuation allowance will not be required against some or all of our deferred tax assets in future periods.

Our federal net operating loss carryforwards generated before 2018 do not begin to expire until 2029. Under current tax law, federal net operating losses generated after 2017 do not expire. Therefore, we have not recorded a valuation allowance on our deferred tax assets other than the capital loss carryforwards and certain state net operating losses that have short expiration periods.

For additional information on our significant accounting policies related to income taxes, see Note 11 of the Notes to the Consolidated Financial Statements.

*Recent Accounting Standards*

*Government Assistance.* In 2021, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2021-10, "Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance." This ASU will require certain disclosures about the significant terms and conditions of material government assistance agreements in order to provide more consistent information to users of the financial statements. This standard is effective for annual reporting periods beginning after December 15, 2021, and early adoption is permitted. We determined that our material government assistance agreements are the payroll support program agreements under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") and the program extensions, and we adopted the new standard in 2021. See Note 6 of the Notes to the Consolidated Financial Statements where we reflect the requirements of this new standard as it relates to our payroll support program disclosures.

*Item 7. MD&A - Supplemental Information*  
Supplemental Information

We sometimes use information ("non-GAAP financial measures") that is derived from the Consolidated Financial Statements, but that is not presented in accordance with GAAP. Under the U.S. Securities and Exchange Commission rules, non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. Reconciliations below may not calculate exactly due to rounding.

Included below are reconciliations of non-GAAP measures used within this Form 10-K to the most directly comparable GAAP financial measures. These reconciliations include certain adjustments to GAAP measures, which are directly related to the impact of COVID-19 and our response. These adjustments are made to provide comparability between the reported periods, if applicable, as indicated below:

- *Restructuring charges.* During 2020, we recorded restructuring charges of \$8.2 billion for items such as fleet impairments and voluntary early retirement and separation programs following strategic business decisions in response to the COVID-19 pandemic. In the year ended December 31, 2021, we recognized \$19 million of adjustments to certain of those restructuring charges, representing changes in our estimates.
- *Government grant recognition.* We recognized \$4.5 billion and \$3.9 billion of the grant proceeds from the payroll support program extensions as a contra-expense during 2021 and 2020, respectively. We recognized the grant proceeds as contra-expense based on the periods that the funds were intended to compensate and have fully used all proceeds from the payroll support program extensions.
- *Impairments and equity method losses.* These adjustments relate to recording our share of losses recorded by our equity method investees. Additionally, during 2020, we recognized charges from write-downs of our investments in LATAM and Grupo Aeroméxico following their financial losses and separate Chapter 11 bankruptcy filings, and the write-down of our investment in Virgin Atlantic based on our share of its losses.
- *Pension settlement charges.* These charges were recognized in connection with the voluntary early retirement and separation programs that were offered to our employees in 2020.
- *Loss on extinguishment of debt.* This adjustment relates to the early termination of a portion of our debt.
- *Special profit-sharing payment.* This adjustment is exclusive to 2021. To recognize the extraordinary efforts of our employees through the pandemic, we will make a special profit-sharing payment to eligible employees in February 2022, based on the adjusted pre-tax profit earned during the second half of 2021. This adjustment allows investors to better understand and analyze our recurring cost performance and provides a more meaningful comparison of our core operating costs to the airline industry.

We also regularly adjust certain GAAP measures for the following items, if applicable, for the reasons indicated below:

- *MTM adjustments and settlements on hedges.* Mark-to-market ("MTM") adjustments are defined as fair value changes recorded in periods other than the settlement period. Such fair value changes are not necessarily indicative of the actual settlement value of the underlying hedge in the contract settlement period, and therefore we remove this impact to allow investors to better understand and analyze our core performance. Settlements represent cash received or paid on hedge contracts settled during the applicable period.
- *Equity investment MTM adjustments.* We record our proportionate share of losses from our equity investments in non-operating expense. As a result of Grupo Aeroméxico's and LATAM's bankruptcy filings in 2020, we discontinued accounting for these investments under the equity method at that time as we no longer had significant influence with those investees. We adjust for our equity method investees' hedge portfolio MTM adjustments to allow investors to understand and analyze our core operational performance in the periods shown.
- *MTM adjustments on investments.* Unrealized gains/losses result from our equity investments that are accounted for at fair value in non-operating expense. The gains/losses are driven by changes in stock prices, foreign currency fluctuations and other valuation techniques for investments in companies without publicly-traded shares. Adjusting for these gains/losses allows investors to better understand and analyze our core operational performance in the periods shown.

**Item 7. MD&A - Supplemental Information**

- Third-party refinery sales.** Refinery sales to third parties, and related expenses, are not related to our airline segment. Excluding these sales therefore provides a more meaningful comparison of our airline operations to the rest of the airline industry.
- Aircraft fuel and related taxes.** The volatility in fuel prices impacts the comparability of year-over-year financial performance. The adjustment for aircraft fuel and related taxes allows investors to better understand and analyze our non-fuel costs and year-over-year financial performance.
- Profit sharing.** We adjust for profit sharing because this adjustment allows investors to better understand and analyze our recurring cost performance and provides a more meaningful comparison of our core operating costs to the airline industry.
- Delta Private Jets adjustment.** Because we combined Delta Private Jets with Wheels Up in January 2020, we have excluded the impact of Delta Private Jets from 2019 results for comparability.

**Pre-tax (loss)/income, adjusted reconciliation**

(in millions)	Year Ended December 31,		
	2021	2020	2019
Pre-tax income/(loss)	\$ 398	\$ (15,587)	\$ 6,198
Adjusted for:			
Restructuring charges	(19)	8,219	—
Government grant recognition	(4,512)	(3,946)	—
Impairments and equity method losses	337	2,172	—
Pension settlement charges	—	36	—
Loss on extinguishment of debt	319	—	—
Special profit sharing payment	108	—	—
MTM adjustments and settlements on hedges	9	10	14
Equity investment MTM adjustments	—	(19)	(14)
MTM adjustments on investments	(56)	119	13
Delta Private Jets adjustment	—	—	3
Pre-tax (loss)/income, adjusted	\$ (3,415)	\$ (8,996)	\$ 6,214

**Operating expense, adjusted reconciliation**

(in millions)	Year Ended December 31,		
	2021	2020	2019
Operating expense	\$ 28,013	\$ 29,564	\$ 40,389
Adjusted for:			
Restructuring charges	19	(8,219)	—
Government grant recognition	4,512	3,946	—
Special profit sharing payment	(108)	—	—
MTM adjustments and settlements on hedges	(9)	(10)	(14)
Third-party refinery sales	(3,229)	(1,150)	(97)
Delta Private Jets adjustment	—	—	(196)
Operating expense, adjusted	\$ 29,197	\$ 24,130	\$ 40,082

*Item 7. MD&A - Supplemental Information*

Fuel expense, adjusted and Average fuel price per gallon, adjusted reconciliations

(in millions, except per gallon data)	Year Ended December 31,			Average Price Per Gallon		
	Year Ended December 31,			Year Ended December 31,		
	2021	2020	2019	2021	2020	2019
Total fuel expense	\$ 5,633	\$ 3,176	\$ 8,519	\$ 2.02	\$ 1.64	\$ 2.02
Adjusted for:						
MTM adjustments and settlements on hedges	(9)	(10)	(14)	—	(0.01)	—
Delta Private Jets adjustment	—	—	(28)	—	—	(0.01)
Total fuel expense, adjusted	\$ 5,625	\$ 3,166	\$ 8,477	\$ 2.02	\$ 1.64	\$ 2.01

TRASM, adjusted reconciliation

(in cents)	Year Ended December 31,		
	2021	2020	2019
TRASM	15.37 ¢	12.73 ¢	17.07 ¢
Adjusted for:			
Third-party refinery sales	(1.66)	(0.86)	(0.04)
Delta Private Jets adjustment	—	—	(0.07)
TRASM, adjusted	13.71 ¢	11.87 ¢	16.97 ¢

CASM-Ex reconciliation

(in cents)	Year Ended December 31,		
	2021	2020	2019
CASM	14.40 ¢	22.01 ¢	14.67 ¢
Adjusted for:			
Restructuring charges	0.01	(6.12)	—
Government grant recognition	2.32	2.94	—
Aircraft fuel and related taxes	(2.90)	(2.36)	(3.10)
Third-party refinery sales	(1.66)	(0.86)	(0.04)
Special profit sharing payment	(0.06)	—	—
Profit sharing	—	—	(0.60)
Delta Private Jets adjustment	—	—	(0.06)
CASM-Ex	12.12 ¢	15.61 ¢	10.88 ¢

*Item 7. MD&A - Supplemental Information*  
*Free Cash Flow*

The following table shows a reconciliation of net cash provided by/(used in) operating activities (a GAAP measure) to free cash flow (a non-GAAP financial measure). We present free cash flow because management believes this metric is helpful to investors to evaluate the company's ability to generate cash that is available for use for debt service or general corporate initiatives. Adjustments include:

- Net (redemptions)/purchases of short-term investments.* Net (redemptions)/purchases of short-term investments represent the net purchase and sale activity of investments and marketable securities in the period, including gains and losses. We adjust for this activity to provide investors a better understanding of the company's free cash flow generated by our operations.
- Strategic investments and related.* Cash flows related to our investments in and related transactions with other airlines are included in our GAAP investing activities. We adjust for this activity because it provides a more meaningful comparison to our airline industry peers.
- Net cash flows related to certain airport construction projects and other.* Cash flows related to certain airport construction projects are included in our GAAP operating activities and capital expenditures. We have adjusted for these items because management believes investors should be informed that a portion of these capital expenditures from airport construction projects are either reimbursed by a third party or funded with restricted cash specific to these projects.

Free cash flow reconciliation

(in millions)	Year Ended December 31,		
	2021	2020	2019
Net cash provided by/(used in) operating activities	\$ 3,264	\$ (3,793)	\$ 8,425
Net cash used in investing activities	(898)	(9,238)	(4,563)
Adjusted for:			
Net (redemptions)/purchases of short-term investments	(2,381)	5,792	(206)
Strategic investments and related	181	2,192	170
Net cash flows related to certain airport construction projects and other	1,090	721	338
Free cash flow	\$ 1,255	\$ (4,327)	\$ 4,164

*Item 7. MD&A - Glossary of Defined Terms*  
Glossary of Defined Terms

*ASM* - Available Seat Mile. A measure of capacity. ASMs equal the total number of seats available for transporting passengers during a reporting period multiplied by the total number of miles flown during that period.

*CASM* - (Total Operating) Cost per Available Seat Mile. The amount of operating cost incurred per ASM during a reporting period. CASM is also referred to as "unit cost."

*CASM-Ex* - The amount of operating cost incurred per ASM during a reporting period, adjusted for the items shown above in "Supplemental Information."

*Free Cash Flow* - Represents the cash available for use for debt service or general corporate initiatives.

*Load Factor* - A measure of utilized available seating capacity calculated by dividing RPMs by ASMs for a reporting period.

*Passenger Mile Yield or Yield* - The amount of passenger revenue earned per RPM during a reporting period.

*PRASM* - Passenger Revenue per ASM. The amount of passenger revenue earned per ASM during a reporting period. PRASM is also referred to as "unit revenue."

*RPM* - Revenue Passenger Mile. One revenue-paying passenger transported one mile. RPMs equal the number of revenue passengers during a reporting period multiplied by the number of miles flown by those passengers during that period. RPMs are also referred to as "traffic."

*TRASM* - Total Revenue per ASM. The amount of total revenue earned per ASM during a reporting period.

*TRASM, adjusted* - The amount of total revenue earned per ASM during a reporting period, adjusted for the item shown above in "Supplemental Information."

*Item 7A. Market Risk*

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We have market risk exposure related to fuel prices, interest rates and foreign currency exchange rates. Market risk is the potential negative impact of adverse changes in these prices or rates on our Consolidated Financial Statements. In an effort to manage our exposure to these risks, we may enter into derivative contracts and may adjust our derivative portfolio as market conditions change. See Note 3 of the Notes to the Consolidated Financial Statements for further information on our derivative contracts. We expect adjustments to the fair value of financial instruments to result in ongoing volatility in earnings and stockholders' equity.

The following sensitivity analyses do not consider the effects of a change in demand for air travel, the economy as a whole or actions we may take to seek to mitigate our exposure to a particular risk. For these and other reasons, the actual results of changes in these prices or rates may differ materially from the following hypothetical results.

*Fuel Price Risk*

Changes in fuel prices materially impact our results of operations. A one cent increase in the cost of jet fuel would result in approximately \$40 million of additional annual fuel expense based on annual pre-COVID-19 pandemic consumption of approximately four billion gallons of jet fuel. As a result of the reduced capacity from the COVID-19 pandemic, our jet fuel consumption during 2021 of 2.8 billion gallons was significantly less than our historical and expected future consumption. Our derivative contracts to hedge the financial risk from changing fuel prices are primarily related to Monroe's inventory.

*Interest Rate Risk*

Our exposure to market risk from adverse changes in interest rates is primarily associated with our debt and lease obligations. Market risk associated with our fixed-rate debt relates to the potential reduction in fair value from an increase in interest rates. Market risk associated with our variable-rate debt and variable-rate leases relates to the potential negative impact to future earnings from an increase in interest rates.

At December 31, 2021, we had \$21.4 billion of fixed-rate debt, \$3.9 billion of variable-rate debt and \$833 million of variable-rate leases. The rates used in our variable-rate debt are based on LIBOR, or another index rate, which in certain cases is subject to a floor. An increase of 100 basis points in average annual interest rates would have decreased the estimated fair value of our fixed-rate debt by \$1.1 billion at December 31, 2021 and would have increased the annual interest expense on our variable-rate debt and variable-rate leases by \$24 million.

In March 2021, the administrator of LIBOR announced that the publication of certain LIBOR settings will cease after December 2021 and publication of the remainder of the LIBOR settings will cease after June 2023. At December 31, 2021, we had no exposure to the discontinued LIBOR settings and had approximately \$3.9 billion of LIBOR-based debt and finance leases maturing after June 2023, all of which include mechanisms for replacing the applicable reference rate, which we do not expect to be materially different from LIBOR.

*Foreign Currency Exchange Risk*

We are subject to foreign currency exchange rate risk because we have revenue, expense and equity investments denominated in foreign currencies. To manage exchange rate risk, we execute both our international revenue and expense transactions in the same foreign currency to the extent practicable. From time to time, we may also enter into foreign currency option and forward contracts.

At December 31, 2021, we had a U.S. dollar-South Korean won cross currency swap contract totaling a \$1 million asset position. We estimate that a 10% depreciation or appreciation in the price of the South Korean won in relation to the U.S. dollar would have changed the projected cash settlement value of our open hedge contract by \$15 million for the year ending December 31, 2021.

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of  
Delta Air Lines, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Delta Air Lines, Inc. (the Company) as of December 31, 2021 and 2020, and the related consolidated statements of operations, comprehensive income/(loss), cash flows, and stockholders' equity for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 11, 2022 expressed an unqualified opinion thereon.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatements of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

## *Employee Benefit Plans*

### *Description of the Matter*

At December 31, 2021, the fair value of the Company's benefit plan assets measured at fair value on a recurring basis totaled \$20.0 billion, of which \$12.7 billion do not have a readily determinable fair value and are measured at net asset value per share ("NAV assets") as a practical expedient. Management determines the fair value of NAV assets by applying the methodologies described in Note 9 to the consolidated financial statements. The Company's expected long-term rate of return on assets for net periodic benefit for the year ended December 31, 2021 was 8.98%. The expected return on plan assets provided net periodic benefit of \$1.5 billion for the year ended December 31, 2021. As disclosed in Note 9 to the consolidated financial statements, the expected long-term rate of return on plan assets is reviewed annually and is based primarily on plan-specific investment studies using historical market return and volatility data. Auditing the fair value of the Company's NAV assets required significant judgment in estimating the fair value of the NAV assets, primarily resulting from the lag in the availability of data provided by the investment fund managers and the use of corroborating data from public markets to estimate fair value. Auditing the expected long-term rate of return on plan assets required significant judgment due to the subjective nature of certain assumptions. In particular, the Company incorporated excess return expectations compared to historical market return and volatility data based on the Company's investment strategy. Net periodic benefit is sensitive to the expected long-term rate of return on plan assets, which is affected by expectations about future market and economic conditions.

### *How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's accounting for its employee benefit plans, including controls over management's assessment of the significant inputs and estimates included in the fair value measurements of NAV assets and management's review of the significant assumptions and the inputs used in estimating the expected long-term rate of return on plan assets.

To test the fair value of plan assets measured at NAV, our audit procedures included, among others, evaluating the valuation methodologies used by the Company and comparing significant inputs and underlying data used in the Company's valuations to information available from third-party sources and market data. Additionally, we performed sensitivity analyses to evaluate the changes to the Company's net periodic benefit that would result from changes in the fair value measurement, and compared the Company's asset performance results to applicable third-party benchmarks and assessed management's historical accuracy of estimating fair value by performing retrospective review procedures comparing the Company's estimates of fair value as of the prior year end to the final fair value NAV in the investment's audited financial statements made available during the current year.

To test the expected long-term rate of return on plan assets, our audit procedures included, among others, evaluating the methodology used, testing the significant assumptions used in the determination of the expected return and testing the underlying data used by the Company. We involved an actuarial specialist to assist in evaluating the appropriateness of the Company's estimate, including independently calculating a range of expected long-term rates of return based on the Company's current investment portfolio and strategy, and assessed whether management's assumption was consistent with a range of returns for a portfolio of comparative investments. Additionally, we tested the completeness and accuracy of the data used by management and performed sensitivity analyses to evaluate the changes to the Company's net periodic benefit that would result from changes in the expected long-term rate of return on plan assets.

## *Loyalty Program - Mileage Breakage*

### *Description of the Matter*

At December 31, 2021 the Company's aggregate current and noncurrent loyalty program deferred revenue balance was \$7.6 billion. For the year ended December 31, 2021, the Company recognized \$1.8 billion of revenue classified as loyalty travel awards within passenger revenue and \$1.8 billion of revenue classified as loyalty program revenue within other revenue in the consolidated statement of operations. As disclosed in Note 2 to the consolidated financial statements, the Company defers revenue for mileage credits earned and recognizes loyalty travel awards in passenger revenue as the miles are redeemed and services are provided. In determining the value of mileage credits earned, the Company applies an estimate of mileage credits earned that are not expected to be redeemed ("mileage breakage"). The Company recognizes mileage breakage proportionally during the period in which the remaining mileage credits are actually redeemed. Under the Company's loyalty program, mileage credits do not expire. Therefore, the Company uses statistical models to estimate mileage breakage based on historical redemption patterns.

Auditing the Company's accounting for its loyalty program required significant estimation in determining the mileage breakage estimate for mileage credits. In particular, there is complexity and subjectivity in estimating mileage breakage based on expectations of future redemption patterns due to the absence of historical expirations as the Company's mileage credits do not expire.

### *How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's accounting for its loyalty program, including controls over management's review of the estimation of the mileage breakage and the completeness and accuracy of the data underlying the mileage breakage estimate. To test the estimate of breakage of mileage credits, our audit procedures included, among others, involving an actuarial specialist to assist in assessing the method used to develop the mileage breakage estimate and independently developing a range of mileage breakage estimates and comparing them to the Company's estimates. Additionally, we tested the completeness and accuracy of the underlying mileage data used in the Company's statistical models and performed sensitivity analyses to evaluate the changes to the Company's deferred revenue that would result from changes in the mileage breakage estimate.

## *Realizability of Deferred Tax Assets*

### *Description of the Matter*

At December 31, 2021, the Company had gross deferred tax assets of \$9.4 billion with a related valuation allowance of \$0.8 billion, and gross deferred tax liabilities of \$7.3 billion. As discussed in Notes 1 and 11 to the consolidated financial statements, the Company records a valuation allowance based on the assessment of the realizability of the Company's deferred tax assets. Deferred tax assets are reduced by a valuation allowance if, based on the weight of all available evidence, in management's judgment it is more likely than not that some portion, or all, of the deferred tax assets will not be realized.

Auditing management's assessment of recoverability of deferred tax assets involved subjective estimation and complex auditor judgment in weighing the positive and negative evidence to determine whether a valuation allowance for deferred tax assets is needed, including the Company's estimate of future taxable income that may be affected by future market and economic conditions.

### *How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls that address the risks of material misstatement relating to the realizability of deferred tax assets. This included controls over management's scheduling of the future reversal of existing taxable temporary differences, identification and use of available tax planning strategies and estimates of future taxable income.

To test the realizability of the Company's deferred tax assets, our audit procedures included, among others, evaluating the assumptions used to develop the scheduling of the future reversal of existing taxable temporary differences, evaluating tax planning strategies and evaluating the assumptions used by the Company to develop projections of future taxable income. We compared the projections of future taxable income with the actual results of prior periods, as well as management's consideration of current industry and economic trends. We also compared the projections of future taxable income with other forecasted financial information prepared by the Company. In addition, we involved our tax specialists to evaluate the application of tax law in the performance of these procedures.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2006.

Atlanta, Georgia

February 11, 2022

DELTA AIR LINES, INC.  
Consolidated Balance Sheets

(in millions, except share data)	ASSETS	December 31, 2021	2020
Current Assets:			
Cash and cash equivalents		\$ 7,933	\$ 8,307
Short-term investments		3,386	5,789
Accounts receivable, net of an allowance for uncollectible accounts of \$50 and \$89		2,404	1,396
Fuel inventory		694	377
Expendable parts and supplies inventories, net of an allowance for obsolescence of \$176 and \$188		404	355
Prepaid expenses and other		1,119	1,180
Total current assets		15,940	17,404
Noncurrent Assets:			
Property and equipment, net of accumulated depreciation and amortization of \$18,671 and \$17,511		28,749	26,529
Operating lease right-of-use assets		7,237	5,733
Goodwill		9,753	9,753
Identifiable intangibles, net of accumulated amortization of \$893 and \$883		6,001	6,011
Cash restricted for airport construction		473	1,556
Equity investments		1,712	1,665
Deferred income taxes, net		1,294	1,988
Other noncurrent assets		1,300	1,357
Total noncurrent assets		56,519	54,592
Total assets		\$ 72,459	\$ 71,996
	LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:			
Current maturities of debt and finance leases		\$ 1,782	\$ 1,732
Current maturities of operating leases		703	678
Air traffic liability		6,228	4,044
Accounts payable		4,240	2,840
Accrued salaries and related benefits		2,457	2,086
Loyalty program deferred revenue		2,710	1,777
Fuel card obligation		1,100	1,100
Other accrued liabilities		1,746	1,670
Total current liabilities		20,966	15,927
Noncurrent Liabilities:			
Debt and finance leases		25,138	27,425
Noncurrent air traffic liability		130	500
Pension, postretirement and related benefits		6,035	10,630
Loyalty program deferred revenue		4,849	5,405
Noncurrent operating leases		7,056	5,713
Other noncurrent liabilities		4,398	4,862
Total noncurrent liabilities		47,606	54,535
Commitments and Contingencies			
Stockholders' Equity:			
Common stock at \$0.0001 par value; 1,500,000,000 shares authorized, 649,720,387 and 647,352,203 shares issued		—	—
Additional paid-in capital		11,447	11,259
Accumulated deficit		(148)	(428)
Accumulated other comprehensive loss		(7,130)	(9,038)
Treasury stock, at cost, 9,752,872 and 9,169,683		(282)	(259)
Total stockholders' equity		3,887	1,534
Total liabilities and stockholders' equity		\$ 72,459	\$ 71,996

The accompanying notes are an integral part of these Consolidated Financial Statements.

DELTA AIR LINES, INC.  
Consolidated Statements of Operations

(in millions, except per share data)	Year Ended December 31,		
	2021	2020	2019
Operating Revenue:			
Passenger	\$ 22,519	\$ 12,883	\$ 42,277
Cargo	1,032	608	753
Other	6,348	3,604	3,977
Total operating revenue	29,899	17,095	47,007
Operating Expense:			
Salaries and related costs	9,728	9,001	11,601
Aircraft fuel and related taxes	5,633	3,176	8,519
Ancillary businesses and refinery	3,957	1,785	1,245
Contracted services	2,420	1,953	2,942
Landing fees and other rents	2,019	1,833	2,176
Depreciation and amortization	1,998	2,312	2,581
Regional carrier expense	1,736	1,584	2,158
Aircraft maintenance materials and outside repairs	1,401	822	1,751
Passenger commissions and other selling expenses	953	643	2,211
Passenger service	756	551	1,312
Aircraft rent	430	399	423
Restructuring charges	(19)	8,219	—
Profit sharing	108	—	1,643
Government grant recognition	(4,512)	(3,946)	—
Other	1,405	1,232	1,827
Total operating expense	28,013	29,564	40,389
Operating Income/(Loss)	1,886	(12,469)	6,618
Non-Operating Expense:			
Interest expense, net	(1,279)	(929)	(301)
Impairments and equity method losses	(337)	(2,432)	(62)
Gain/(loss) on investments, net	56	(105)	119
Loss on extinguishment of debt	(319)	(8)	—
Pension and related benefit/(expense)	451	219	(65)
Miscellaneous, net	(60)	137	(111)
Total non-operating expense, net	(1,488)	(3,118)	(420)
Income/(Loss) Before Income Taxes	398	(15,587)	6,198
Income Tax (Provision)/Benefit	(118)	3,202	(1,431)
Net Income/(Loss)	\$ 280	\$ (12,385)	\$ 4,767
Basic Earnings/(Loss) Per Share	\$ 0.44	\$ (19.49)	\$ 7.32
Diluted Earnings/(Loss) Per Share	\$ 0.44	\$ (19.49)	\$ 7.30
Cash Dividends Declared Per Share	\$ —	\$ 0.40	\$ 1.51

The accompanying notes are an integral part of these Consolidated Financial Statements.

Financial Statements

DELTA AIR LINES, INC.  
Consolidated Statements of Comprehensive Income/(Loss)

(in millions)	Year Ended December 31,		
	2021	2020	2019
Net Income/(Loss)	\$ 280	\$ (12,385)	\$ 4,767
Other comprehensive income/(loss):			
Net change in derivative contracts and other	—	(66)	6
Net change in pension and other benefits	1,908	(983)	(170)
Total Other Comprehensive Income/(Loss)	1,908	(1,049)	(164)
Comprehensive Income/(Loss)	\$ 2,188	\$ (13,434)	\$ 4,603

The accompanying notes are an integral part of these Consolidated Financial Statements.

DELTA AIR LINES, INC.  
Consolidated Statements of Cash Flows

(in millions)	Year Ended December 31,		
	2021	2020	2019
Cash Flows From Operating Activities:			
Net income/(loss)	\$ 280	\$ (12,385)	\$ 4,767
Adjustments to reconcile net income to net cash provided by operating activities:			
Restructuring charges	5	4,111	—
Depreciation and amortization	1,998	2,312	2,581
Deferred income taxes	115	(3,110)	1,473
Pension, postretirement and postemployment payments less/(greater) than expense	(2,038)	898	(922)
Impairments and equity method losses	337	2,432	62
Changes in certain assets and liabilities:			
Receivables	(981)	1,168	(775)
Fuel inventory	(318)	354	(139)
Noncurrent assets	(76)	210	111
Air traffic liability	1,814	(572)	454
Loyalty program deferred revenue	376	455	87
Profit sharing	108	(1,650)	354
Other payables, deferred revenue and accrued liabilities	1,986	240	144
Noncurrent liabilities	(399)	1,185	(16)
Other, net	57	559	244
Net cash provided by/(used in) operating activities	3,264	(3,793)	8,425
Cash Flows From Investing Activities:			
Property and equipment additions:			
Flight equipment, including advance payments	(1,596)	(896)	(3,344)
Ground property and equipment, including technology	(1,651)	(1,003)	(1,592)
Proceeds from sale-leaseback transactions	—	465	—
Purchase of equity investments	—	(2,099)	(170)
Sale of equity investments	—	—	279
Purchase of short-term investments	(12,655)	(13,400)	—
Redemption of short-term investments	15,036	7,608	206
Other, net	(32)	87	58
Net cash used in investing activities	(898)	(9,238)	(4,563)
Cash Flows From Financing Activities:			
Proceeds from short-term obligations	—	3,261	1,750
Proceeds from long-term obligations	1,902	22,790	2,057
Proceeds from sale-leaseback transactions	—	2,306	—
Payments on debt and finance lease obligations	(5,834)	(8,559)	(3,320)
Repurchase of common stock	—	(344)	(2,027)
Cash dividends	—	(260)	(980)
Fuel card obligation	—	364	(339)
Other, net	80	(202)	(21)
Net cash (used in)/provided by financing activities	(3,852)	19,356	(2,880)
Net (Decrease)/Increase in Cash, Cash Equivalents and Restricted Cash	(1,486)	6,325	982
Cash, cash equivalents and restricted cash at beginning of period	10,055	3,730	2,748
Cash, cash equivalents and restricted cash at end of period	\$ 8,569	\$ 10,055	\$ 3,730
Supplemental Disclosure of Cash Paid for Interest	\$ 1,506	\$ 761	\$ 481
Non-Cash Transactions:			
Right-of-use assets acquired under operating leases	\$ 2,113	\$ 1,077	\$ 464
Flight and ground equipment acquired under finance leases	1,049	381	650
Other financings	—	280	—
Operating leases converted to finance leases	42	—	190

The accompanying notes are an integral part of these Consolidated Financial Statements.



DELTA AIR LINES, INC.  
Consolidated Statements of Stockholders' Equity

(in millions, except per share data)	Common Stock		Additional Paid-In Capital	Retained Earnings / (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at January 1, 2019	688	\$ —	\$ 11,671	\$ 10,039	\$ (7,825)	8	\$ (198)	\$ 13,687
Net income	—	—	—	4,767	—	—	—	4,767
Dividends declared	—	—	—	(981)	—	—	—	(981)
Other comprehensive loss	—	—	—	—	(164)	—	—	(164)
Common stock issued for employee equity awards <sup>(1)</sup>	2	—	114	—	—	1	(38)	76
Stock purchased and retired	(38)	—	(656)	(1,371)	—	—	—	(2,027)
Balance at December 31, 2019	652	—	11,129	12,454	(7,989)	9	(236)	15,358
Net loss	—	—	—	(12,385)	—	—	—	(12,385)
Dividends declared	—	—	—	(257)	—	—	—	(257)
Other comprehensive loss	—	—	—	—	(1,049)	—	—	(1,049)
Common stock issued for employee equity awards and other <sup>(1)</sup>	1	—	120	—	—	—	(23)	97
Stock purchased and retired	(6)	—	(104)	(240)	—	—	—	(344)
Government grant warrant issuance	—	—	114	—	—	—	—	114
Balance at December 31, 2020	647	—	11,259	(428)	(9,038)	9	(259)	1,534
Net income	—	—	—	280	—	—	—	280
Other comprehensive income	—	—	—	—	1,908	—	—	1,908
Common stock issued for employee equity awards <sup>(1)</sup>	3	—	102	—	—	1	(23)	79
Government grant warrant issuance	—	—	86	—	—	—	—	86
Balance at December 31, 2021	650	\$ —	\$ 11,447	\$ (148)	\$ (7,130)	10	\$ (282)	\$ 3,887

<sup>(1)</sup>Treasury shares were withheld for payment of taxes, at a weighted average price per share of \$38.87, \$52.17 and \$50.20 in 2021, 2020 and 2019, respectively.

The accompanying notes are an integral part of these Consolidated Financial Statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Basis of Presentation*

Delta Air Lines, Inc., a Delaware corporation, provides scheduled air transportation for passengers and cargo throughout the United States ("U.S.") and around the world. Our Consolidated Financial Statements include the accounts of Delta Air Lines, Inc. and our consolidated subsidiaries and have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP"). We are the primary beneficiary of, and have a controlling financial interest in, certain immaterial entities in which we have voting rights of 50% or less, which we consolidate in our financial results.

We have marketing alliances with other airlines to enhance our access to domestic and international markets. These arrangements may include codesharing, reciprocal loyalty program benefits, shared or reciprocal access to passenger lounges, joint promotions, common use of airport gates and ticket counters, ticket office co-location and other marketing agreements. We have received antitrust immunity for certain marketing arrangements, which enables us to offer a more integrated route network and develop common sales, marketing and discount programs for customers. Some of our marketing arrangements provide for the sharing of revenues and expenses. Revenues and expenses associated with collaborative arrangements are presented on a gross basis in the applicable line items on our Consolidated Statements of Operations ("income statement").

We have reclassified certain prior period amounts to conform to the current period presentation. Unless otherwise noted, all amounts disclosed are stated before consideration of income taxes.

*Regional Carrier Expense*

Until 2021, we allocated certain costs (such as landing fees and other rents, salaries and related costs and contracted services) to regional carrier expense in our income statement based on relevant statistics (such as passenger counts). Beginning in 2021 we ceased performing this allocation and have reclassified the costs presented in prior periods to align with this presentation. This reclassification better reflects the nature of, and how management views, these regional carrier related expenses. This allocation was approximately \$900 million in 2020 and \$1.4 billion in 2019. The amounts in regional carrier expense under the current presentation represent the accrual of payments to our regional carriers under capacity purchase agreements, maintenance costs related to our regional fleet and the expenses of our wholly owned regional subsidiary, Endeavor Air, Inc.

*Use of Estimates*

We are required to make estimates and assumptions when preparing our Consolidated Financial Statements in accordance with GAAP. These estimates and assumptions affect the amounts reported in our Consolidated Financial Statements and the accompanying notes. Actual results could differ materially from those estimates.

*Recent Accounting Standards*

**Government Assistance.** In 2021, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2021-10, "Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance." This ASU will require certain disclosures about the significant terms and conditions of material government assistance agreements in order to provide more consistent information to users of the financial statements. This standard is effective for annual reporting periods beginning after December 15, 2021, and early adoption is permitted. We determined that our material government assistance agreements are the payroll support program agreements under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") and the program extensions, and we adopted the new standard in 2021. See Note 6, "Debt," where we reflect the requirements of this new standard as it relates to our payroll support program disclosures.

*Notes to the Consolidated Financial Statements*  
*Significant Accounting Policies*

Our significant accounting policies are disclosed below or included within the topic-specific notes included herein.

*Cash and Cash Equivalents and Short-Term Investments*

Short-term, highly liquid investments with maturities of three months or less when purchased are classified as cash and cash equivalents. Investments with maturities of greater than three months, but not in excess of one year, when purchased are classified as short-term investments. Investments with maturities beyond one year when purchased may be classified as short-term investments if they are expected to be available to support our short-term liquidity needs. Our short-term investments are classified as fair value investments and gains and losses are recorded in non-operating expense.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Balance Sheets ("balance sheets") that sum to the total of the same such amounts shown within the Consolidated Statements of Cash Flows ("cash flows statement").

**Reconciliation of cash, cash equivalents and restricted cash**

(in millions)	December 31,		
	2021	2020	2019
Current assets:			
Cash and cash equivalents	\$ 7,933	\$ 8,307	\$ 2,882
Restricted cash included in prepaid expenses and other	163	192	212
Noncurrent assets:			
Cash restricted for airport construction	473	1,556	636
Total cash, cash equivalents and restricted cash	\$ 8,569	\$ 10,055	\$ 3,730

*Inventories*

**Fuel.** As part of our strategy to mitigate the cost of the refining margin reflected in the price of jet fuel, our wholly owned subsidiary, Monroe Energy, LLC ("Monroe"), operates the Trainer oil refinery. Refined products (finished goods) and feedstock and blendstock inventories (work-in-process) are both carried at the lower of cost and net realizable value. We use jet fuel in our airline operations that is produced by the refinery and procured through the exchange with third parties of gasoline, diesel and other refined products ("non-jet fuel products") the refinery produces. Cost is determined using the first-in, first-out method. Costs include the raw material consumed plus direct manufacturing costs (such as labor, utilities and supplies) as incurred and an applicable portion of manufacturing overhead.

**Expendables Parts and Supplies.** Inventories of expendable parts related to flight equipment, which cannot be economically repaired, reconditioned or reused after removal from the aircraft, are carried at moving average cost and charged to aircraft maintenance materials and outside repairs as consumed. An allowance for obsolescence is provided over the remaining useful life of the related fleet. We also provide allowances for parts identified as excess or obsolete to reduce the carrying costs to the lower of cost or net realizable value. These parts are estimated to have residual value of 5% of the original cost.

*Accounting for Refinery Related Buy/Sell Agreements*

To the extent that we receive jet fuel for non-jet fuel products exchanged under buy/sell agreements, we account for these transactions as nonmonetary exchanges. We have recorded these nonmonetary exchanges at the carrying amount of the non-jet fuel products transferred within aircraft fuel and related taxes on the income statement.

*Derivatives*

Changes in fuel prices, interest rates and foreign currency exchange rates impact our results of operations. In an effort to manage our exposure to these risks, we may enter into derivative contracts and adjust our derivative portfolio as market conditions change. Our derivative contracts are recognized at fair value on our balance sheets and have net balances of \$17 million and \$1 million at December 31, 2021 and 2020, respectively.

Notes to the Consolidated Financial Statements  
Long-Lived Assets

Our long-lived lived assets, including flight equipment, which consists of aircraft and associated engines and parts, operating lease right-of-use ("ROU") assets and other long-lived assets, are recorded in property and equipment, net and operating lease right-of-use assets on our balance sheets. See Note 7, "Leases," for further information regarding our leases. The following table summarizes our property and equipment:

Property and equipment by classification

(in millions, except for estimated useful life)	Estimated Useful Life	December 31,	
		2021	2020
Flight equipment	20-34 years	\$ 33,368	\$ 31,572
Ground property and equipment	3-40 years	7,758	6,387
Information technology-related assets	3-15 years	3,389	3,403
Flight and ground equipment under finance leases	Shorter of lease term or estimated useful life	2,052	1,795
Advance payments for equipment		853	883
Less: accumulated depreciation and amortization <sup>(1)</sup>		(18,671)	(17,511)
Total property and equipment, net		\$ 28,749	\$ 26,529

<sup>(1)</sup>Includes accumulated amortization for flight and ground equipment under finance leases in the amount of \$456 million and \$793 million at December 31, 2021 and 2020, respectively.

We record property and equipment at cost and depreciate or amortize these assets on a straight-line basis to their estimated residual values over their estimated useful lives. The estimated useful life for leasehold improvements is the shorter of lease term or estimated useful life. Depreciation and amortization expense related to our property and equipment was \$2.0 billion, \$2.3 billion and \$2.6 billion for the years ended December 31, 2021, 2020 and 2019, respectively. Residual values for owned aircraft, engines, spare parts and simulators are generally 5% to 10% of cost.

We capitalize certain internal and external costs incurred to develop and implement software and amortize those costs over an estimated useful life of three to ten years. Included in the depreciation and amortization expense discussed above, we recorded \$301 million, \$304 million and \$239 million for amortization of capitalized software for the years ended December 31, 2021, 2020 and 2019, respectively. The net book value of these assets, which are included in information technology-related assets above, totaled \$876 million and \$1.0 billion at December 31, 2021 and 2020, respectively.

Our tangible assets consist primarily of flight equipment, which is mobile across geographic markets. Accordingly, assets are not allocated to specific geographic regions.

We review flight equipment, ROU assets and other long-lived assets used in operations for impairment losses when events and circumstances indicate the assets may be impaired. Factors which could be indicators of impairment include, but are not limited to (1) a decision to permanently remove flight equipment or other long-lived assets from operations, (2) significant changes in the estimated useful life, (3) significant changes in projected cash flows, (4) permanent and significant declines in fleet fair values and (5) changes to the regulatory environment. For long-lived assets held for sale, we discontinue depreciation and record impairment losses when the carrying amount of these assets is greater than the fair value less the cost to sell.

To determine whether impairments exist for aircraft used in operations, we group assets at the fleet type level or at the contract level for aircraft operated by third-party regional carriers (i.e., the lowest level for which there are identifiable cash flows) and then estimate future cash flows based on projections of capacity, passenger mile yield, fuel and labor costs and other relevant factors. If an asset group is impaired, the impairment loss recognized is the amount by which the asset group's carrying amount exceeds its estimated fair value. We estimate aircraft fair values using published sources, appraisals and bids received from third parties, as available. Due to the impacts of the COVID-19 pandemic, we evaluated our fleet during 2020 and determined that only the fleet types discussed in Note 15, "Restructuring," were impaired, as the future cash flows from the operation of other fleet types through the respective retirement dates exceeded the carrying value. Due to the recovery in demand that we have experienced throughout 2021, we decided not to retire any additional aircraft and returned to service a majority of the aircraft that were temporarily parked in 2020. We recorded no further impairments during 2021. As we gained updated information during the year, we updated estimates to the 2020 fleet-related impairment charges and recorded adjustments of \$19 million to certain of the restructuring charges during 2021.

*Notes to the Consolidated Financial Statements*  
*Income Taxes*

We account for deferred income taxes under the liability method. We recognize deferred tax assets and liabilities based on the tax effects of temporary differences between the financial statement and tax basis of assets and liabilities, as measured by current enacted tax rates. Deferred tax assets and liabilities are net by jurisdiction and are recorded as noncurrent on the balance sheet.

We have elected to recognize earnings of foreign affiliates that are determined to be global intangible low tax income in the period it arises and do not recognize deferred taxes for basis differences that may reverse in future years.

A valuation allowance is recorded to reduce deferred tax assets when necessary. We periodically assess whether it is more likely than not that we will generate sufficient taxable income to realize our deferred income tax assets. We establish valuation allowances if it is more likely than not that we will be unable to realize our deferred income tax assets. In making this determination, we consider available positive and negative evidence and make certain assumptions. We consider, among other things, projected future taxable income, scheduled reversals of deferred tax liabilities, the overall business environment, our historical financial results and tax planning strategies. See Note 11, "Income Taxes," for further information on our deferred income taxes.

*Fuel Card Obligation*

We have a purchasing card with American Express for the purpose of buying jet fuel and crude oil. The card carried a maximum credit limit of \$1.1 billion as of December 31, 2021 and must be paid monthly. At both December 31, 2021 and 2020, we had \$1.1 billion outstanding on this purchasing card and the activity was classified as a financing activity in our cash flows statement.

*Retirement of Repurchased Shares*

We immediately retire shares repurchased pursuant to any share repurchase program. We allocate the share purchase price in excess of par value between additional paid-in capital and retained earnings.

*Manufacturers' Credits*

We periodically receive credits in connection with the acquisition of aircraft and engines. These credits are deferred until the aircraft and engines are delivered, and then applied as a reduction to the cost of the related equipment.

*Maintenance Costs*

We record maintenance costs related to our mainline and regional fleets in aircraft maintenance materials and outside repairs and regional carrier expense, respectively. Maintenance costs are expensed as incurred, except for costs incurred under power-by-the-hour contracts, which are expensed based on actual hours flown. Power-by-the-hour contracts transfer certain risk to third-party service providers and fix the amount we pay per flight hour to the service provider in exchange for maintenance and repairs under a predefined maintenance program. Modifications that enhance the operating performance or extend the useful lives of airframes or engines are capitalized and amortized over the remaining estimated useful life of the asset or the remaining lease term, whichever is shorter.

*Advertising Costs*

We expense advertising costs in passenger commissions and other selling expenses in the year the advertising first takes place. Advertising expense was \$198 million, \$119 million and \$288 million for the years ended December 31, 2021, 2020 and 2019, respectively.

*Commissions and Merchant Fees*

Passenger sales commissions and merchant fees are recognized in passenger commissions and other selling expenses when the related revenue is recognized.

*Notes to the Consolidated Financial Statements*  
*Carbon Offset Costs*

We may purchase and retire carbon offsets and we expense the cost of carbon offsets upon retirement of the credits within aircraft fuel and related taxes on our income statement as these costs are related to our carbon emissions generated by our airline segment. The purchase of carbon offsets is included in operating activities on our cash flows statement. During 2021, we purchased and retired \$95 million of carbon offsets, of which \$30 million relates to 13 million metric tons of carbon emissions generated by our airline segment from March 1 to December 31, 2020 as well as \$65 million which relates to a portion of 2021 carbon emissions generated by our airline segment.

**NOTE 2. REVENUE RECOGNITION**

*Passenger Revenue*

Passenger revenue is composed of passenger ticket sales, loyalty travel awards and travel-related services performed in conjunction with a passenger's flight.

*Passenger revenue by category*

(in millions)	Year Ended December 31,		
	2021	2020	2019
Ticket	\$ 19,339	\$ 10,970	\$ 36,908
Loyalty travel awards	1,786	935	2,900
Travel-related services	1,394	978	2,469
<b>Total passenger revenue</b>	<b>\$ 22,519</b>	<b>\$ 12,883</b>	<b>\$ 42,277</b>

*Ticket*

*Passenger Tickets.* We defer sales of passenger tickets to be flown by us or that we sell on behalf of other airlines in our air traffic liability. Passenger revenue is recognized when we provide transportation or when the ticket expires unused ("ticket breakage"). For tickets that we sell on behalf of other airlines, we reduce the air traffic liability when consideration is remitted to those airlines. The air traffic liability primarily includes sales of passenger tickets with scheduled departure dates in the future and credits which can be applied as payment toward the cost of a ticket ("travel credits"). Travel credits are typically issued as a result of ticket cancellations prior to their expiration dates. We periodically evaluate the estimated air traffic liability and may record adjustments in our income statement. These adjustments relate primarily to refunds, exchanges, ticket breakage, transactions with other airlines and other items for which final settlement occurs in periods subsequent to the sale of the related tickets at amounts other than the original sales price.

We recognized approximately \$2.2 billion, \$3.1 billion and \$3.8 billion in passenger revenue during the years ended December 31, 2021, 2020 and 2019, respectively, that had been recorded in our air traffic liability balance at the beginning of those periods.

The air traffic liability typically increases during the winter and spring months as advanced ticket sales grow prior to the summer peak travel season and decreases during the summer and fall months. However, the ongoing reduction in demand for air travel due to the COVID-19 pandemic has resulted in a lower level of advance bookings and the associated cash received, as well as significant ticket cancellations which led to issuance of cash refunds or travel credits to customers. The total value of cash refunds, excluding taxes and related fees, issued to customers during the years ended December 31, 2021 and 2020 was approximately \$1.1 billion and \$3.1 billion, respectively. Travel credits represented approximately 45% and 65% of the air traffic liability as of December 31, 2021 and 2020, respectively.

In the March 2021 quarter, we announced the extension of the validity of all passenger tickets and travel credits purchased or expiring in 2021 to December 31, 2022, which allowed for tickets to be rebooked through December 31, 2022 for travel through 2023. The air traffic liability classified as noncurrent as of December 31, 2021 represents our current estimate of tickets and travel credits to be used or refunded beyond one year, while the balance classified as current represents our current estimate of tickets and travel credits to be used or refunded within one year. We will continue to monitor our customers' travel behavior and may adjust our estimates in the future. In January 2022, we announced changes to expiration dates, as discussed below.

### *Notes to the Consolidated Financial Statements*

**Ticket Breakage.** We estimate the value of ticket breakage and recognize revenue at the scheduled flight date. Our ticket breakage estimates are primarily based on historical experience, ticket contract terms and customers' travel behavior. Given the impact of the COVID-19 pandemic on customer behavior and changes made in ticket validity terms, as well as the elimination of change fees for most tickets as discussed below, our estimates of revenue that will be recognized from the air traffic liability for unused tickets may vary in future periods.

**Further Extension to Ticket Validity.** In January 2022, we announced that all existing travel credit holders will have until December 31, 2023 to rebook their ticket for travel throughout 2024. Additionally, all Delta customers with upcoming 2022 travel or who purchase a ticket in 2022 will also have the flexibility to rebook their ticket through December 31, 2023, and travel throughout 2024. This change is expected to shift a portion of our air traffic liability to noncurrent. We will also consider this change in estimating the future ticket breakage rate.

**Regional Carriers.** Our regional carriers include both third-party regional carriers with which we have contract carrier agreements ("contract carriers") and Endeavor Air, Inc., our wholly owned subsidiary. Our contract carrier agreements are primarily structured as capacity purchase agreements where we purchase all or a portion of the contract carrier's capacity and are responsible for selling the seat inventory we purchase. We record revenue related to our capacity purchase agreements in passenger revenue and the related expenses in regional carrier expense.

### *Loyalty Travel Awards*

Loyalty travel awards revenue is related to the redemption of miles for travel. We recognize loyalty travel awards revenue in passenger revenue as miles are redeemed and transportation is provided. See below for discussion of our loyalty program accounting policies.

### *Travel-Related Services*

Travel-related services are primarily composed of services performed in conjunction with a passenger's flight, including baggage fees, on-board sales and administrative fees. We recognize revenue for these services when the related transportation service is provided.

During 2020, with the exception of Basic Economy, we eliminated change fees for all tickets originating in North America and waived change fees for tickets originating outside of North America. We also implemented a temporary waiver that allowed Basic Economy tickets with travel for 2021, which are normally non-changeable, to be changed without paying a fee regardless of origin or destination. Starting January 1, 2022, Basic Economy tickets may be cancelled for a fee to receive a partial ticket credit.

### *Loyalty Program*

Our SkyMiles loyalty program generates customer loyalty by rewarding customers with incentives to travel on Delta. This program allows customers to earn mileage credits ("miles") by flying on Delta, Delta Connection carriers and other airlines that participate in the loyalty program. When traveling, customers earn miles primarily based on the passenger's loyalty program status, fare class and ticket price. Customers can also earn miles through participating companies such as credit card companies, hotels, car rental agencies and ridesharing companies. Miles are redeemable by customers in future periods for air travel on Delta and other participating airlines, access to our Sky Club and other program awards. To facilitate transactions with participating companies, we sell miles to non-airline businesses, customers and other airlines.

The loyalty program includes two types of transactions that are considered revenue arrangements with multiple performance obligations (1) passenger ticket sales earning miles and (2) sale of miles to participating companies.

**Passenger Ticket Sales Earning Miles.** Passenger ticket sales earning miles provide customers with (1) miles earned and (2) air transportation, which are each considered performance obligations. We value each performance obligation on a standalone basis. To value the miles earned, we consider the quantitative value a passenger receives by redeeming miles for a ticket rather than paying cash, which is referred to as equivalent ticket value ("ETV"). Our estimate of ETV is adjusted for miles that are not likely to be redeemed ("mileage breakage"). We use statistical models to estimate mileage breakage based on historical redemption patterns. A change in assumptions to the redemption activity for miles or the estimated fair value of miles expected to be redeemed could have a material impact on our revenue in the year in which the change occurs and in future years. We recognize mileage breakage proportionally during the period in which the remaining miles are actually redeemed.

### Notes to the Consolidated Financial Statements

We defer revenue for the miles when earned and recognize loyalty travel awards in passenger revenue as the miles are redeemed and transportation is provided. We record the air transportation portion of the passenger ticket sales in air traffic liability and recognize passenger revenue when we provide transportation or if the ticket goes unused.

**Sale of Miles to Participating Companies.** Customers earn miles based on their spending with participating companies such as credit card companies, hotels, car rental agencies and ridesharing companies with which we have marketing agreements to sell miles. Our contracts to sell miles under these marketing agreements have multiple performance obligations. Payments are typically due to us monthly based on the volume of miles sold during the period, and the initial terms of our marketing contracts are from three to eleven years. During the years ended December 31, 2021, 2020 and 2019, total cash sales from marketing agreements related to our loyalty program were \$4.1 billion, \$2.9 billion and \$4.2 billion, respectively, which are allocated to travel and other performance obligations, as discussed below.

Our most significant contract to sell miles relates to our co-brand credit card relationship with American Express. Our agreements with American Express provide for joint marketing, grant certain benefits to Delta-American Express co-branded credit card holders ("cardholders") and American Express Membership Rewards program participants, and allow American Express to market its services or products using our customer database. Cardholders earn miles for making purchases using co-branded cards, and certain cardholders may also check their first bag for free, are granted discounted access to Delta Sky Club lounges and receive priority boarding and other benefits while traveling on Delta. Additionally, participants in the American Express Membership Rewards program may exchange their points for miles under the loyalty program. We sell miles at agreed-upon rates to American Express which are then provided to their customers under the co-brand credit card program and the Membership Rewards program.

We account for marketing agreements, including those with American Express, by allocating the consideration to the individual products and services delivered. We allocate the value based on the relative selling prices of those products and services, which generally consist of award travel, priority boarding, baggage fee waivers, lounge access and the use of our brand. We determine our best estimate of the selling prices by using a discounted cash flow analysis using multiple inputs and assumptions, including (1) the expected number of miles awarded and number of miles redeemed, (2) ETV for the award travel obligation adjusted for mileage breakage, (3) published rates on our website for baggage fees, discounted access to Delta Sky Club lounges and other benefits while traveling on Delta, (4) brand value (using estimated royalties generated from the use of our brand) and (5) volume discounts provided to certain partners.

We defer the amount allocated to award travel as part of loyalty program deferred revenue and recognize loyalty travel awards in passenger revenue as the miles are redeemed and transportation is provided. Revenue allocated to services performed in conjunction with a passenger's flight, such as baggage fee waivers, is recognized as travel-related services in passenger revenue when the related service is performed. Revenue allocated to access Delta Sky Club lounges is recognized as miscellaneous in other revenue as access is provided. Revenue allocated to the remaining performance obligations, primarily brand value, is recorded as loyalty program in other revenue as miles are delivered.

**Current Activity of the Loyalty Program.** Miles are combined in one homogeneous pool and are not separately identifiable. Therefore, the revenue is comprised of miles that were part of the loyalty program deferred revenue balance at the beginning of the period as well as miles that were issued during the period.

The table below presents the activity of the current and noncurrent loyalty program deferred revenue, and includes miles earned through travel and miles sold to participating companies, which are primarily through marketing agreements.

#### Loyalty program activity

(in millions)	2021	2020	2019
Balance at January 1	\$ 7,182	\$ 6,728	\$ 6,641
Miles earned	2,238	1,437	3,156
Travel miles redeemed	(1,786)	(935)	(2,900)
Non-travel miles redeemed	(75)	(48)	(169)
Balance at December 31	\$ 7,559	\$ 7,182	\$ 6,728



### Notes to the Consolidated Financial Statements

The timing of mile redemptions can vary widely; however, the majority of new miles have historically been redeemed within two years of being earned. The loyalty program deferred revenue classified as a current liability represents our current estimate of revenue expected to be recognized in the next twelve months based on projected redemptions, while the balance classified as a noncurrent liability represents our current estimate of revenue expected to be recognized beyond twelve months. Compared to pre-pandemic levels, a larger portion of mile redemptions is projected to occur beyond twelve months and is therefore reflected as a noncurrent liability as of December 31, 2021. We will continue to monitor redemptions as the situation evolves.

### Cargo Revenue

Cargo revenue is recognized when we provide the transportation.

### Other Revenue

(in millions)	Year Ended December 31,		
	2021	2020	2019
Refinery	\$ 3,229	\$ 1,150	\$ 97
Loyalty program	1,770	1,458	1,962
Ancillary businesses	793	648	1,200
Miscellaneous	556	348	718
Total other revenue	\$ 6,348	\$ 3,604	\$ 3,977

**Refinery.** This represents refinery sales to third parties, which are at or near cost; accordingly, the margin on these sales is *de minimis*. See Note 14, "Segments," for more information on revenue recognition within our refinery segment.

**Loyalty Program.** Loyalty program revenues relate to brand usage by third parties and other performance obligations embedded in miles sold, including redemption of miles for non-travel awards. These revenues are included within the total cash sales from marketing agreements, discussed above.

**Ancillary Businesses.** Ancillary businesses includes aircraft maintenance services we provide to third parties and our vacation wholesale operations. In January 2020, we combined Delta Private Jets, our former wholly owned subsidiary which provided private jet operations, with Wheels Up. Upon closing, we received an equity stake in Wheels Up, and Delta Private Jets is no longer reflected in ancillary businesses.

**Miscellaneous.** Miscellaneous revenue is primarily composed of lounge access, including access provided to certain American Express cardholders, and codeshare revenues.

### Revenue by Geographic Region

Operating revenue for the airline segment is recognized in a specific geographic region based on the origin, flight path and destination of each flight segment. A significant portion of the refinery's revenues typically consists of fuel sales to support the airline, which is eliminated in the Consolidated Financial Statements. The remaining operating revenue for the refinery segment is included in the domestic region. Our passenger and operating revenue by geographic region is summarized in the following table:

### Revenue by geographic region

(in millions)	Passenger Revenue			Operating Revenue		
	Year Ended December 31,			Year Ended December 31,		
	2021	2020	2019	2021	2020	2019
Domestic	\$ 18,468	\$ 10,041	\$ 30,465	\$ 24,320	\$ 13,339	\$ 33,382
Atlantic	1,777	1,171	6,326	2,537	1,649	7,308
Latin America	1,873	1,113	2,985	2,284	1,321	3,326
Pacific	401	558	2,501	758	786	2,991
Total	\$ 22,519	\$ 12,883	\$ 42,277	\$ 29,899	\$ 17,095	\$ 47,007

*Notes to the Consolidated Financial Statements*  
*Accounts Receivable*

Accounts receivable primarily consist of amounts due from credit card companies from the sale of passenger tickets, ancillary businesses, refinery sales and other companies for the purchase of miles under the loyalty program. We provide an allowance for uncollectible accounts using an expected credit loss model which represents our estimate of expected credit losses over the lifetime of the asset. In 2020, due to the COVID-19 pandemic, we recorded reserves on certain receivables, which are discussed further in Note 15, "Restructuring".

*Passenger Taxes and Fees*

We are required to charge certain taxes and fees on our passenger tickets, including U.S. federal transportation taxes, federal security charges, airport passenger facility charges and foreign arrival and departure taxes. These taxes and fees are assessments on the customer for which we act as a collection agent. Because we are not entitled to retain these taxes and fees, we do not include such amounts in passenger revenue. We record a liability when the amounts are collected and reduce the liability when payments are made to the applicable government agency or operating carrier (i.e., for codeshare-related fees).

**NOTE 3. FAIR VALUE MEASUREMENTS**

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. Each fair value measurement is classified into one of the following levels based on the information used in the valuation:

- *Level 1.* Observable inputs such as quoted prices in active markets.
- *Level 2.* Inputs, other than quoted prices in active markets, that are observable either directly or indirectly.
- *Level 3.* Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities measured at fair value are based on the valuation techniques identified in the tables below. The valuation techniques are as follows:

(a) *Market Approach.* Prices and other relevant information generated by observable transactions involving identical or comparable assets or liabilities; and

(b) *Income Approach.* Techniques to convert future amounts to a single present value amount based on market expectations (including present value techniques and option-pricing models).

*Assets (Liabilities) Measured at Fair Value on a Recurring Basis<sup>(1)</sup>*

(in millions)	December 31, 2021				Valuation Technique
	Total	Level 1	Level 2	Level 3	
Cash equivalents	\$ 5,450	\$ 5,450	\$ —	\$ —	(a)
Restricted cash equivalents	635	635	—	—	(a)
Short-term investments					
U.S. Government securities	3,386	1,376	2,010	—	(a)
Long-term investments	1,459	1,326	36	97	(a)(b)
Hedge derivatives, net					
Fuel hedge contracts	(18)	—	(18)	—	(a)(b)
Foreign currency exchange contracts	1	—	1	—	(a)
Delta Air Lines, Inc. 2021 Form 10-K	80				

(in millions)	December 31, 2020				Valuation Technique
	Total	Level 1	Level 2	Level 3	
Cash equivalents	\$ 5,755	\$ 5,755	\$ —	\$ —	(a)
Restricted cash equivalents	1,747	1,747	—	—	(a)
Short-term investments					
U.S. Government securities	5,789	3,919	1,870	—	(a)
Long-term investments	1,417	948	38	431	(a)(b)
Hedge derivatives, net					
Fuel hedge contracts	(9)	—	(9)	—	(a)(b)
Interest rate contracts	23	—	23	—	(a)
Foreign currency exchange contracts	(13)	—	(13)	—	(a)

(1) See Note 9, "Employee Benefit Plans," for fair value of benefit plan assets.

**Cash Equivalents and Restricted Cash Equivalents.** Cash equivalents generally consist of money market funds. Restricted cash equivalents are recorded in prepaid expenses and other and cash restricted for airport construction on our balance sheets and generally consist of money market funds, time deposits, commercial paper and negotiable certificates of deposit, which primarily relate to proceeds from debt issued to finance, among other things, a portion of the construction costs for our new terminal facilities at New York's LaGuardia Airport. The fair value of these cash equivalents is based on a market approach using prices generated by market transactions involving identical or comparable assets.

**Short-Term Investments.** The fair values of our short-term investments are based on a market approach using industry standard valuation techniques that incorporate observable inputs such as quoted market prices, interest rates, benchmark curves, credit ratings of the security and other observable information.

As of December 31, 2021, the estimated fair value of our short-term investments was \$3.4 billion. Of these investments, \$2.8 billion are expected to mature in one year or less, with the remainder maturing by the second half of 2023.

**Long-Term Investments.** Our long-term investments measured at fair value primarily consist of equity investments, which are valued based on market prices or other observable transactions and inputs, and are recorded in equity investments on our balance sheet. During 2021, both Wheels Up Experience Inc. ("Wheels Up") and Clear Secure, Inc. ("CLEAR") became publicly traded and as of December 31, 2021, our investment in both of these are classified as Level 1. In addition, our equity investments in private companies are classified as Level 3 in the fair value hierarchy as their equity is not traded on a public exchange and our valuations incorporate certain unobservable inputs, including non-public equity issuances and forecasts provided by our investees. Fair value measurement using unobservable inputs is inherently uncertain, and a change in significant inputs could result in different fair values. During the year ended December 31, 2021 there were no material gains or losses as a result of fair value adjustments. See Note 4, "Investments," for further information on our long-term investments.

**Hedge Derivatives.** A portion of our derivative contracts may be negotiated over-the-counter with counterparties without going through a public exchange. Accordingly, our fair value assessments give consideration to the risk of counterparty default (as well as our own credit risk). Such contracts would be classified as Level 2 within the fair value hierarchy. The remainder of our hedge contracts are comprised of futures contracts, which are traded on a public exchange. These contracts are classified within Level 1 of the fair value hierarchy.

• **Fuel Hedge Contracts.** Our derivative contracts to hedge the financial risk from changing fuel prices are primarily related to Monroe's inventory. Our fuel hedge portfolio may consist of a combination of options, swaps or futures. Option and swap contracts are valued under income approaches using option pricing models and discounted cash flow models, respectively, based on data either readily observable in public markets, derived from public markets or provided by counterparties who regularly trade in public markets. Futures contracts and options on futures contracts are traded on a public exchange and valued based on quoted market prices. We recognized losses of \$146 million, gains of \$85 million and losses of \$41 million on our fuel hedge contracts for the years ended December 31, 2021, 2020 and 2019, respectively.

• **Interest Rate Contracts.** Our interest rate derivatives were swap contracts, which were valued based on data readily observable in public markets. We unwound our final interest rate contract in January 2021 and have no contracts open as of December 31, 2021.

*Notes to the Consolidated Financial Statements*

•*Foreign Currency Exchange Contracts.* Our foreign currency derivatives consist of forward contracts and are valued based on data readily observable in public markets.

**NOTE 4. INVESTMENTS**

We have developed strategic relationships with a number of airlines and airline services companies through joint ventures and other forms of cooperation and support, including equity investments. Our equity investments reinforce our commitment to these relationships and generally enhance our ability to offer input to the investee on strategic issues and direction, in some cases through representation on the board of directors.

Changes in the valuation of investments accounted for at fair value are recorded in gain/(loss) on investments, net in our income statement within non-operating expense and are driven by changes in stock prices, other valuation techniques for investments in companies without publicly-traded shares and foreign currency fluctuations.

Our share of Unifi Aviation's financial results is recorded in contracted services in our income statement as this entity is integral to the operations of our business by providing services at our airport locations, while our share of other equity method investees' financial results is recorded in impairments and equity method losses in our income statement under non-operating expense. If an investment accounted for under the equity method experiences a loss in value that is determined to be other than temporary, we will reduce our carrying value of the investment to fair value and record the loss in impairments and equity method losses in our income statement.

**Equity investments ownership interest and carrying value**

(in millions)	Accounting Treatment	Ownership Interest		Carrying Value	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Wheels Up	Fair Value	21 %	24 %	\$ 241	\$ 210
Hanjin-KAL	Fair Value	13 %	13 %	455	512
Air France-KLM	Fair Value	6 %	9 %	165	235
China Eastern	Fair Value	2 %	3 %	177	201
CLEAR	Fair Value	6 %	6 %	260	120
Unifi Aviation	Equity Method	49 %	49 %	159	154
Other investments	Various			255	233
Equity investments				\$ 1,712	\$ 1,665

*Wheels Up.* In the September 2021 quarter, Wheels Up became a publicly-traded company through a merger with Aspirational Consumer Lifestyle Corp ("Aspirational"). Aspirational subsequently changed its name to Wheels Up Experience Inc. and its common stock trades on the New York Stock Exchange under the symbol UP. We account for our investment under the fair value option and use the stock price to recognize fair value adjustments.

*CLEAR.* In the June 2021 quarter, Clear Secure, Inc. completed an initial public offering of Class A common stock, which trades on the New York Stock Exchange under the symbol YOU. We own shares of Alclear Holdings, LLC, which are convertible on a one-to-one basis for the Class A common stock of Clear. Our 6% ownership interest in Clear is determined on a fully exchanged and converted basis. We account for our investment under the fair value method and use the stock price to recognize fair value adjustments.

*Other Investments.* This category includes various investments that are accounted for at fair value or under the equity method, depending on our ownership interest and the level of influence conveyed by our investment. Included therein are our investments in Grupo Aeroméxico, LATAM Airlines Group S.A. ("LATAM") and Virgin Atlantic, all of which are undergoing in-court or out-of-court restructurings, and the carrying values of these investments have been reduced to and remain zero as of December 31, 2021. In order to support our relationships with these carriers, we have provided them with strategic and operational assistance through their restructurings.

### *Notes to the Consolidated Financial Statements*

In the December 2021 quarter, we purchased approximately \$525 million in obligations from certain lenders under LATAM, Grupo Aeroméxico and Virgin Atlantic's restructuring processes, which reduced current maturities of debt and finance leases on the balance sheet. These purchases are reflected as financing outflows on the cash flows statement. As a result of these purchases, we have assumed a pro-rata portion of each lender's rights under the financing arrangements with each respective partner, which are recorded within other noncurrent assets as of December 31, 2021. The receivables from Grupo Aeroméxico and LATAM are subject to certain reserves based on our assessment of collectability, the amounts of which are not material.

In addition to the loans we purchased from a third party lender in Virgin Atlantic's restructuring process, in the December 2021 quarter, we also loaned \$275 million to Virgin Atlantic which is reflected as an investing outflow on the cash flows statement. After the carrying amount of our investment in Virgin Atlantic was reduced to zero during 2020, we have continued to track our 49% share of their losses under the equity method of accounting. These previously unrecognized losses are only recorded to the extent we make additional investments in Virgin Atlantic (i.e., additional shareholder support). The loans we have extended to Virgin Atlantic are treated as additional shareholder support and during 2021 resulted in our recognition of \$340 million of previously unrecognized losses in impairments and equity method losses within non-operating expense in our income statement. As of December 31, 2021, we have an additional \$130 million of unrecognized equity method losses related to our 49% interest in Virgin Atlantic.

Upon completion of their respective processes, we expect to receive an approximately 20% equity stake in Grupo Aeroméxico and an approximately 10% equity stake in LATAM, while maintaining our 49% equity stake in Virgin Atlantic. Our total investments to be made in these carriers, inclusive of the transactions described above, will be approximately \$1.2 billion.

We also have an investment in JFK IAT Member LLC which is accounted for under the equity method and is discussed further in Note 8, "Airport Redevelopment."

*GOL.* During 2020, we loaned GOL Linhas Aéreas Inteligentes, the parent company of GOL Linhas Aéreas (operating as GOL), \$250 million to be used exclusively to repay the term loan we had previously guaranteed. As of December 31, 2020, GOL had repaid approximately \$160 million of this loan and during 2021 GOL repaid the remaining balance.

## NOTE 5. GOODWILL AND INTANGIBLE ASSETS

### *Goodwill and Indefinite-Lived Intangible Assets*

Our goodwill and identifiable intangible assets relate to the airline segment. We apply a fair value-based impairment test to the carrying value of goodwill and indefinite-lived intangible assets on an annual basis (as of October 1) and, if certain events or circumstances indicate that an impairment loss may have been incurred, on an interim basis. We assess the value of our goodwill and indefinite-lived assets under either a qualitative or quantitative approach. Under a qualitative approach, we consider various market factors, including certain of the key assumptions listed below. We analyze these factors to determine if events and circumstances have affected the fair value of goodwill and indefinite-lived intangible assets. If we determine that it is more likely than not that the asset may be impaired, we use the quantitative approach to assess the asset's fair value and the amount of the impairment. Under a quantitative approach, we calculate the fair value of the asset incorporating the key assumptions listed below into our calculation.

We value goodwill and indefinite-lived intangible assets primarily using market and income approach valuation techniques. These measurements include the following key assumptions (1) forecasted revenues, expenses and cash flows, including the duration and extent of impact to our business and our alliance partners from the COVID-19 pandemic, (2) current discount rates, (3) observable market transactions and (4) anticipated changes to the regulatory environment (e.g., changes in slot access and/or availability, additional Open Skies agreements or changes to antitrust approvals). These assumptions are consistent with those that hypothetical market participants would use. Because we are required to make estimates and assumptions when evaluating goodwill and indefinite-lived intangible assets for impairment, actual transaction amounts may differ materially from these estimates. We recognize an impairment charge if the asset's carrying value exceeds its estimated fair value.

## Notes to the Consolidated Financial Statements

Changes in certain events and circumstances could result in impairment or a change from indefinite-lived to definite-lived. Factors which could cause impairment include, but are not limited to (1) negative trends in our market capitalization, (2) reduced profitability resulting from lower passenger mile yields or higher input costs (primarily related to fuel and employees), (3) lower passenger demand as a result of weakened U.S. and global economies, global pandemics or other factors, (4) interruption to our operations due to a prolonged employee strike, terrorist attack or other reasons, (5) changes to the regulatory environment (e.g., changes in slot access and/or availability, additional Open Skies agreements or changes to antitrust approvals), (6) competitive changes by other airlines and (7) strategic changes to our operations leading to diminished utilization of the intangible assets.

**Identifiable Intangible Assets.** Indefinite-lived assets are not amortized and consist of routes, slots, the Delta tradename and assets related to alliances and collaborative arrangements. Definite-lived intangible assets consist primarily of marketing and maintenance service agreements and are amortized on a straight-line basis or under the undiscounted cash flows method over the estimated economic life of the respective agreements. Costs incurred to renew or extend the term of an intangible asset are expensed as incurred.

As a result of the significant impact the COVID-19 pandemic had on our market capitalization, profitability and overall travel demand, we performed a quantitative valuation of our goodwill and indefinite-lived intangible assets during the December 2020 quarter. These quantitative impairment tests of goodwill and intangibles concluded that there was no indication of impairment as the fair value exceeded our carrying value. In the December 2021 quarter we performed qualitative assessments of goodwill and indefinite-lived intangible assets, including applicable factors noted above, and determined that there was no indication that the assets were impaired. Our qualitative assessments include analyses and weighting of all relevant factors that impact the fair value of our goodwill and indefinite-lived intangible assets.

### Goodwill and indefinite-lived intangible assets by category

(in millions)	Carrying Value at		Excess Fair Value at 2020 Testing Date
	December 31, 2021	December 31, 2020	
Goodwill	\$ 9,753	\$ 9,753	>100%
International routes and slots	2,583	2,583	10% to 30%
Airline alliances	1,863	1,863	20% to >100%
Delta tradename	850	850	>100%
Domestic slots	622	622	60% to >100%
Total	\$ 15,671	\$ 15,671	

**International Routes and Slots.** This primarily relates to Pacific route authorities and slots at capacity-constrained airports in Asia, and slots at London-Heathrow airport.

**Airline Alliances.** This primarily relates to our commercial agreements with LATAM and our SkyTeam partners.

**Domestic Slots.** This primarily relates to our slots at New York-LaGuardia and Washington-Reagan National airports.

### Definite-Lived Intangible Assets

#### Definite-lived intangible assets by category

(in millions)	December 31, 2021		December 31, 2020	
	Gross Carrying Value	Accumulated Amortization	Gross Carrying Value	Accumulated Amortization
Marketing agreements	\$ 730	\$ (700)	\$ 730	\$ (696)
Maintenance contracts	193	(140)	193	(134)
Other	53	(53)	53	(53)
Total	\$ 976	\$ (893)	\$ 976	\$ (883)

Amortization expense was \$10 million, \$10 million and \$11 million for the years ended December 31, 2021, 2020 and 2019, respectively. Based on our definite-lived intangible assets at December 31, 2021, we estimate that we will incur approximately \$9 million of amortization expense annually from 2022 through 2026.

Notes to the Consolidated Financial Statements

NOTE 6. DEBT

The following table summarizes our debt as of the dates indicated below:

Summary of outstanding debt by category

Summary of Outstanding Debt by Category									
(in millions)	Maturity Dates			Interest Rate(s) Per Annum at December 31, 2021			December 31,		
							2021	2020	
Unsecured notes	2022	to	2029	2.90%	to	7.38%	\$ 4,354	\$ 5,350	
Unsecured Payroll Support Program Loans	2030	to	2031	1.00%			3,496	1,648	
Financing arrangements secured by SkyMiles assets:									
SkyMiles Notes <sup>(1)</sup>	2023	to	2028	4.50%	and	4.75%	6,000	6,000	
SkyMiles Term Loan <sup>(1)(2)</sup>	2023	to	2027	4.75%			2,820	3,000	
Financing arrangements secured by slots, gates and/or routes:									
2020 Senior Secured Notes	2025			7.00%			2,589	3,500	
2020 Term Loan	n/a			n/a			—	1,493	
2018 Revolving Credit Facility <sup>(2)</sup>	2023	to	2024	Undrawn			—	—	
Financing arrangements secured by aircraft:									
Certificates <sup>(1)</sup>	2022	to	2028	2.00%	to	8.00%	1,932	2,633	
Notes <sup>(1)(2)</sup>	2022	to	2033	0.79%	to	5.75%	1,139	1,284	
NYTDC Special Facilities Revenue Bonds, Series 2020 <sup>(1)</sup>	2026	to	2045	4.00%	to	5.00%	1,511	1,511	
NYTDC Special Facilities Revenue Bonds, Series 2018 <sup>(1)</sup>	2022	to	2036	4.00%	to	5.00%	1,383	1,383	
Other financings <sup>(1)(2)</sup>	2022	to	2030	2.51%	to	8.00%	68	412	
Other revolving credit facilities <sup>(2)</sup>	2022	to	2024	Undrawn			—	—	
Total secured and unsecured debt							25,292	28,214	
Unamortized (discount)/premium and debt issuance cost, net and other							(208)	(240)	
Total debt							25,084	27,974	
Less: current maturities							(1,502)	(1,443)	
Total long-term debt							\$ 23,582	\$ 26,531	

<sup>(1)</sup>Due in installments.

<sup>(2)</sup>Certain financings are comprised of variable rate debt. All variable rates are equal to LIBOR (generally subject to a floor) or another index rate plus a specified margin.

Unsecured Payroll Support Program Extension Loans

A summary of the amounts received and warrants issued under the initial payroll support program under the CARES Act and the payroll support program extensions is set forth in the following table:

Summary of payroll support program activity

(in millions)	Total			Grant			Loan			Number of Warrants			Percentage of Outstanding Shares at December 31, 2021	
Payroll Support Program (PSP1)	\$	5,594	\$	3,946	\$	1,648				6.8			1.1	%
Payroll Support Program Extension (PSP2)		3,290		2,333		957				2.4			0.4	%
Payroll Support Program 3 (PSP3)		3,069		2,178		891				1.9			0.3	%
Total	\$	11,953	\$	8,457	\$	3,496				11.1			1.8	%

Grants received were recognized in government grant recognition in our income statement over the periods that the funds were intended to compensate. The PSP1 grant was recognized during 2020 and grants received from PSP2 and PSP3 were fully recognized during 2021.

#### *Notes to the Consolidated Financial Statements*

*Payroll Support Program Extension (PSP2).* The Consolidated Appropriations Act, 2021 was enacted on December 27, 2020, and included an extension of the payroll support program created under the CARES Act providing an additional \$15 billion in grants and loans to the airline industry. In January 2021, we entered into a payroll support program extension agreement with the U.S. Department of the Treasury. During the six months ended June 30, 2021, we received a total of \$3.3 billion in payroll support payments under this extension agreement, which we were required to use exclusively for the payment of employee wages, salaries and benefits and were conditioned on our agreement to refrain from conducting involuntary employee layoffs or furloughs from the date of the extension agreement through March 2021. Other conditions include prohibitions on share repurchases and dividends through March 2022 and certain limitations on executive compensation until October 2022. The Department of Transportation also has the authority until March 1, 2022 to require airlines that received payroll support program funds to maintain scheduled air service deemed necessary to any point served by the airline before March 1, 2020.

These support payments consisted of \$2.3 billion in a grant and \$957 million in an unsecured 10-year low interest loan. In return, we entered into a promissory note for the loan and issued warrants to the U.S. Department of the Treasury to acquire approximately 2.4 million shares of Delta common stock. The loan bears interest at an annual rate of 1.00% for the first five years and the applicable Secured Overnight Financing Rate ("SOFR") plus 2.00% in the final five years. The warrants have an initial exercise price of \$39.73 per share, subject to adjustment in certain cases, and a five-year term. We have recorded the value of the promissory note and warrants on a relative fair value basis as \$905 million of noncurrent debt, net of discount, and \$52 million in additional paid in capital, respectively.

*Payroll Support Program 3 (PSP3).* The American Rescue Plan Act of 2021 was enacted on March 11, 2021, and included a further extension of the payroll support program providing an additional \$14 billion in grants and loans to the airline industry. In April 2021, we entered into a Payroll Support Program 3 Agreement with the U.S. Department of the Treasury. During the June 2021 quarter, we received a total of \$3.1 billion in payroll support payments under this agreement, which we were required to use exclusively for the payment of employee wages, salaries and benefits and was conditioned on our agreement to refrain from conducting involuntary employee layoffs or furloughs from the date of the agreement through September 30, 2021 or the date on which we have expended all of the payroll support, whichever is later. We expended all of the payroll support during 2021. Other conditions include prohibitions on share repurchases and dividends through September 30, 2022 and certain limitations on executive compensation until April 1, 2023.

These support payments consisted of \$2.2 billion in a grant and \$891 million in an unsecured 10-year low interest loan. In return, we entered into a promissory note for the loan and issued warrants to the U.S. Department of the Treasury to acquire approximately 1.9 million shares of Delta common stock. The loan bears interest at an annual rate of 1.00% for the first five years and the applicable SOFR plus 2.00% in the final five years. The warrants have an initial exercise price of \$47.80 per share, subject to adjustment in certain cases, and a five-year term. We have recorded the value of the promissory note and warrants on a relative fair value basis as \$857 million of noncurrent debt, net of discount, and \$34 million in additional paid in capital, respectively.

#### *2020 Term Loan*

In 2020 we entered into a \$1.5 billion term loan secured by certain slots, gates and routes. In the March 2021 quarter, we repaid in full the term loan, which was scheduled to mature in April 2023, and incurred a \$56 million loss on extinguishment of debt, which is recorded in loss on extinguishment of debt in non-operating expense in our income statement.

#### *Enhanced Equipment Trust Certificates ("EETCs") Prepayments*

In the June 2021 quarter, we repaid in full approximately \$450 million of various EETCs which were scheduled to mature between 2022 and 2023, and incurred a \$26 million loss on extinguishment of debt, which is recorded in loss on extinguishment of debt in non-operating expense in our income statement.



*Notes to the Consolidated Financial Statements*  
*Early Settlement of Outstanding Notes*

In July 2021, we completed a cash tender offer for an aggregate purchase price of \$1.0 billion, excluding accrued and unpaid interest, of our outstanding 7.0% Senior Secured Notes due 2025 (the "2025 Notes"), 7.375% Notes due 2026 (the "2026 Notes") and 4.5% Senior Secured Notes due 2025 (the "2025 SkyMiles Notes"). As a result of the tender offer, we purchased 2025 Notes, included as 2020 Senior Secured Notes in the table above, with principal amount of \$677 million for approximately \$800 million and 2026 Notes, included in Unsecured Notes in the table above, with principal amount of \$169 million for approximately \$200 million. We did not purchase any of the 2025 SkyMiles Notes under the tender offer. In addition to the early settlement of the principal amount of the purchased notes, we recorded a loss of \$166 million on extinguishment of debt in non-operating expense in our income statement.

During the second half of 2021, we also repurchased \$647 million of various secured certificates, unsecured notes and a portion of the SkyMiles Term Loan on the open market. These payments resulted in a \$71 million loss on extinguishment of debt.

In January 2022, we irrevocably committed to the early redemption of \$1.0 billion of our 3.625% unsecured notes that had an original maturity during March 2022. We will repay these notes plus accrued interest during February 2022.

*Availability Under Revolving Facilities*

As of December 31, 2021, we had approximately \$2.9 billion undrawn and available under our revolving credit facilities. In addition, we had \$300 million outstanding letters of credit as of December 31, 2021 that did not affect the availability under our revolvers.

*Fair Value of Debt*

Market risk associated with our fixed- and variable-rate debt relates to the potential reduction in fair value and negative impact to future earnings, respectively, from an increase in interest rates. The fair value of debt, shown below, is principally based on reported market values, recently completed market transactions and estimates based on interest rates, maturities, credit risk and underlying collateral. Debt is primarily classified as Level 2 within the fair value hierarchy.

Fair value of outstanding debt

	December 31, 2021	December 31, 2020
(in millions)		
Net carrying amount	\$ 25,084	\$ 27,974
Fair value	\$ 26,900	\$ 29,800

*Covenants*

Our debt agreements contain various affirmative, negative and financial covenants. For example, our credit facilities and our SkyMiles financing agreements, contain, among other things, a minimum liquidity covenant. The minimum liquidity covenant requires us to maintain at least \$2.0 billion of liquidity (defined as cash, cash equivalents, short-term investments and aggregate principal amount committed and available to be drawn under our revolving credit facilities). Certain of our debt agreements also include collateral coverage ratios and limit our ability to (1) incur liens under certain circumstances, (2) dispose of collateral, (3) engage in mergers and consolidations or transfer all or substantially all of our assets and (4) pay dividends or repurchase our common stock through September 2022. Our SkyMiles financing agreements include a debt service coverage ratio and also restrict our ability to, among other things, (1) modify the terms of the SkyMiles program, or otherwise change the policies and procedures of the SkyMiles program, in a manner that would reasonably be expected to materially impair repayment of the SkyMiles Debt, (2) sell pre-paid miles in excess of \$550 million in the aggregate and (3) terminate or materially modify the intercompany arrangements governing the relationship between Delta and SMIP with respect to the SkyMiles program.

Each of these restrictions, however, is subject to certain exceptions and qualifications that are set forth in these debt agreements. We were in compliance with the covenants in our debt agreements at December 31, 2021.

The following table summarizes scheduled maturities of our debt for the years succeeding December 31, 2021:

Future debt maturities

(in millions)	Total Debt		Amortization of Debt (Discount)/Premium and Debt Issuance Cost, net and other	
2022	\$	1,483	\$	(54)
2023		2,516		(60)
2024		3,094		(61)
2025		4,215		(39)
2026		3,051		(8)
Thereafter		10,933		14
Total	\$	25,292	\$	(208)
			\$	25,084

NOTE 7. LEASES

We lease property and equipment under finance and operating leases. For leases with terms greater than 12 months, we record the related asset and obligation at the present value of lease payments over the term. Many of our leases include rental escalation clauses, renewal options and/or termination options that are factored into our determination of lease payments when appropriate. We do not separate lease and nonlease components of contracts, except for regional aircraft and information technology ("IT") assets as discussed below.

When available, we use the rate implicit in the lease to discount lease payments to present value; however, we have an insignificant number of leases representing an immaterial portion of our lease liability that provide readily determinable implicit rates. When the rate implicit in the lease is not available, we use our incremental borrowing rate, which is based on the estimated interest rate for collateralized borrowing over a similar term of the lease at commencement date.

Some of our aircraft lease agreements include provisions for residual value guarantees. These provisions primarily relate to our regional aircraft and the amounts are not significant. We do not have other forms of variable interests with the lessors of our leased assets, other than at New York-JFK, in which we are not the primary beneficiary as discussed in Note 8, "Airport Redevelopment," and with respect to one lessor, in which we have a variable interest in certain immaterial aircraft leases, that we have consolidated.

Aircraft

As of December 31, 2021, including aircraft operated by our regional carriers, we leased 290 aircraft, of which 107 were under finance leases and 183 were operating leases. Our aircraft leases had remaining lease terms of one month to 14 years.

In addition, we have regional aircraft leases that are embedded within our capacity purchase agreements and included in the ROU asset and lease liability. We allocated the consideration in each capacity purchase agreement to the lease and nonlease components based on their relative standalone value. Lease components of these agreements consist of 110 aircraft as of December 31, 2021 and nonlease components primarily consist of flight operations, in-flight and maintenance services. We determined our best estimate of the standalone value of the individual components by considering observable information including rates paid by our wholly owned subsidiary, Endeavor Air, Inc., and rates published by independent valuation firms. See Note 10, "Commitments and Contingencies," for additional information about our capacity purchase agreements.

*Notes to the Consolidated Financial Statements*  
*Airport Facilities*

Our facility leases are primarily for space at approximately 300 airports around the world that we serve. These leases reflect our use of airport terminals, office space, cargo warehouses and maintenance facilities. We generally lease space from government agencies that control the use of the airport, and as a result, these leases are classified as operating leases. The remaining lease terms vary from one month to 29 years. At the majority of the U.S. airports, the lease rates depend on airport operating costs or use of the facilities and are reset at least annually. Because of the variable nature of the rates, these leases are not recorded on our balance sheet as a ROU asset and lease liability.

Some airport facilities have fixed payment schedules, the most significant of which are New York-LaGuardia and New York-JFK. For those airport leases, we have recorded a ROU asset and lease liability representing the fixed component of the lease payments. See Note 8, "Airport Redevelopment," for more information on our significant airport redevelopment projects.

*Other Ground Property and Equipment*

We lease certain IT assets (including servers, mainframes, etc.), ground support equipment (including tugs, tractors, fuel trucks and de-icers), and various other equipment. The remaining lease terms range from one month to eight years. Certain leased assets are embedded within various ground and IT service agreements. For ground service contracts, we have elected to include both the lease and nonlease components in the lease asset and lease liability balances on our balance sheet. For IT service contracts, we have elected to separate the lease and nonlease components and only the lease components are included in the lease asset and lease liability balances on our balance sheet. The amounts of these lease and nonlease components are not significant.

*Sale-Leaseback Transactions*

In 2020, we entered into \$2.8 billion of sale-leaseback transactions for 85 aircraft including 25 A321-200s, 25 A220-100s, 23 CRJ-900s, 10 737-900ERs and two A330-900s. Of these transactions, 74 did not qualify as a sale as they are finance leases or have an option to repurchase at a stated price. The assets associated with these transactions remain on our balance sheet within property and equipment, net and we recorded the related liabilities under the lease. These liabilities are classified within other accrued or other noncurrent liabilities on our balance sheet. The cash proceeds were treated as financing inflows on the cash flows statement.

The other 11 transactions qualified as sales, generating an immaterial loss, and the associated assets were removed from our balance sheet within property and equipment, net and recorded within ROU assets. The liabilities are recorded within current maturities of operating leases and noncurrent operating leases on our balance sheet. The cash proceeds were treated as investing cash inflows on the cash flows statement.

*Notes to the Consolidated Financial Statements*  
*Lease Position*

The table below presents the lease-related assets and liabilities recorded on the balance sheet.

**Lease asset and liability balance sheet position by category**

(in millions)	Classification on the Balance Sheet	December 31,	
		2021	2020
<b>Assets</b>			
Operating lease assets	Operating lease right-of-use assets	\$ 7,237	\$ 5,733
Finance lease assets	Property and equipment, net	1,596	1,002
<b>Total lease assets</b>		<b>\$ 8,833</b>	<b>\$ 6,735</b>
<b>Liabilities</b>			
<b>Current</b>			
Operating	Current maturities of operating leases	\$ 703	\$ 678
Finance	Current maturities of debt and finance leases	280	289
<b>Noncurrent</b>			
Operating	Noncurrent operating leases	7,056	5,713
Finance	Debt and finance leases	1,556	894
<b>Total lease liabilities</b>		<b>\$ 9,595</b>	<b>\$ 7,574</b>
<b>Weighted-average remaining lease term</b>			
Operating leases		13 years	12 years
Finance leases		6 years	5 years
<b>Weighted-average discount rate</b>			
Operating leases		3.81 %	4.88 %
Finance leases		3.36 %	3.61 %

*Lease Costs*

The table below presents certain information related to the lease costs for finance and operating leases.

**Lease cost by category**

(in millions)	Year Ended December 31,		
	2021	2020	2019
<b>Finance lease cost</b>			
Amortization of leased assets	\$ 131	\$ 131	\$ 110
Interest of lease liabilities	55	32	29
Operating lease cost <sup>(1)</sup>	863	1,019	1,013
Short-term lease cost	245	264	500
Variable lease cost <sup>(1)</sup>	1,599	1,406	1,456
<b>Total lease cost</b>	<b>\$ 2,893</b>	<b>\$ 2,852</b>	<b>\$ 3,108</b>

<sup>(1)</sup>Expenses are classified within aircraft rent, landing fees and other rents and regional carrier expense on the income statement. For the years ended December 31, 2021, 2020 and 2019, operating lease costs of \$111 million, \$187 million and \$174 million, respectively, are attributed to our regional carriers. For the years ended December 31, 2021, 2020 and 2019, variable lease costs of \$29 million, \$50 million and \$64 million, respectively, are attributable to our regional carriers.

*Notes to the Consolidated Financial Statements*  
*Other Information*

The table below presents supplemental cash flow information related to leases.

**Supplemental lease-related cash flow information**

(in millions)	Year Ended December 31,		
	2021	2020	2019
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows for operating leases	\$ 999	\$ 1,053	\$ 1,166
Operating cash flows for finance leases	46	32	27
Financing cash flows for finance leases	336	255	192

*Undiscounted Cash Flows*

The table below reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the finance lease liabilities and operating lease liabilities recorded on the balance sheet.

**Future lease cash flows and reconciliation to the balance sheet**

(in millions)	Operating Leases	Finance Leases
2022	\$ 944	\$ 324
2023	974	286
2024	894	369
2025	866	232
2026	766	168
Thereafter	5,307	636
Total minimum lease payments	9,751	2,015
Less: amount of lease payments representing interest	(1,992)	(179)
Present value of future minimum lease payments	7,759	1,836
Less: current obligations under leases	(703)	(280)
Long-term lease obligations	\$ 7,056	\$ 1,556

As of December 31, 2021, we had additional leases that had not yet commenced of \$403 million. These leases will commence in 2022 to 2024 with lease terms of 7 to 10 years.

**NOTE 8. AIRPORT REDEVELOPMENT**

*New York-JFK Airport*

In 2015, we completed two phases of redevelopment at New York-JFK's Terminal 4 to facilitate convenient connections for our passengers and improve coordination with our SkyTeam alliance partners. Terminal 4 is operated by JFK International Air Terminal LLC ("IAT"), a private party, under its lease with the Port Authority of New York and New Jersey ("Port Authority"). In December 2010, we entered into a 33-year agreement with IAT ("Sublease") to sublease space in Terminal 4. Also, in 2010, the Port Authority issued approximately \$800 million principal amount of special project bonds (the "Series 8 Bonds") to fund the majority of the project. In December 2020, the NYTDC issued approximately \$611 million principal amount of special project bonds to refinance the outstanding balance of the Series 8 Bonds. We have recognized a ROU asset and lease liability representing the fixed component of the lease payments for this facility. During 2021, we signed an amendment to the Sublease for additional gates at JFK, increasing our lease obligation by \$1.2 billion.

We have an equity method investment in JFK IAT Member LLC, which owns IAT, our sublessor at Terminal 4. The Sublease requires us to pay certain fixed management fees. We determined the investment is a variable interest entity and assessed whether we have a controlling financial interest in IAT. Our rights under the Sublease, with respect to management of Terminal 4, are consistent with rights granted to an anchor tenant under a standard airport lease. Accordingly, we do not consolidate this entity in our Consolidated Financial Statements.

*Notes to the Consolidated Financial Statements*

We continue to plan for further expansion of Terminal 4 and during 2021, the Port Authority approved modified project plans to renovate Terminal 4 and add 10 new gates enabling us to move out of Terminal 2 and consolidate our operations at Terminal 4. The project is estimated to cost approximately \$1.5 billion and we expect to amend the Sublease in the March 2022 quarter. Construction started in late 2021 with the project estimated to be complete by the end of 2023.

We have not completed our assessment of the project accounting, but we expect that we will not control the underlying assets being constructed, and therefore, do not expect to have the project asset or related obligation recorded on our balance sheet.

*Los Angeles International Airport ("LAX")*

We executed a modified lease agreement during 2016 with the City of Los Angeles (the "City"), which owns and operates LAX, and announced plans to modernize, upgrade and provide post-security connection to Terminals 2 and 3. Construction is underway, which includes a new centralized ticketing and arrival hall, a new security checkpoint, core infrastructure to support the City's planned airport people mover, ramp improvements and a post-security connector to the north side of the Tom Bradley International Terminal.

Given reduced passenger volumes resulting from the COVID-19 pandemic, we accelerated the construction schedule for this project in 2020. Additionally, in 2020, we enhanced the project's scope to include a more customer-friendly design of Terminal 3, an expanded Delta Sky Club and baggage system upgrades designed to increase the terminals' operational efficiency going forward. Construction is expected to be completed in 2023.

The project is expected to cost approximately \$2.3 billion. A substantial majority of the project costs are being funded through the Regional Airports Improvement Corporation ("RAIC"), a California public benefit corporation, using a revolving credit facility provided by a group of lenders. The credit facility was executed in 2017 and amended in 2020, and we have guaranteed the obligations of the RAIC under the credit facility. The revolving credit facility agreement was amended again in January 2022, increasing the revolver capacity from \$800 million to \$1.1 billion. Loans made under the credit facility are being repaid with the proceeds from the City's purchase of completed project assets. Under the lease agreement and subsequent project component approvals by the City's Board of Airport Commissioners, the City has appropriated to date approximately \$1.8 billion to purchase completed project assets, representing the maximum allowable reimbursement by the City. Costs incurred in excess of the \$1.8 billion maximum will not be reimbursed by the City. We currently expect our net project costs to be approximately \$500 million, of which approximately \$250 million has been reflected as investing activities in our cash flows statement since the project started in 2017. In 2021, \$487 million was spent on this project, with \$450 million paid by the credit facility and \$37 million paid directly by Delta.

Based on our assessment of the project, we concluded that we do not control the underlying assets being constructed, and therefore, we do not have the project asset or related obligation recorded on our balance sheet.

*New York-LaGuardia Airport*

As part of the terminal redevelopment project at LaGuardia Airport, we are partnering with the Port Authority to replace Terminals C and D with a new state-of-the-art terminal facility consisting of 37 gates across four concourses connected to a central headhouse. The terminal will feature a new, larger Delta Sky Club, wider concourses, more gate seating and nearly double the amount of concessions space than the existing terminals. The facility will also offer direct access between the parking garage and terminal and improved roadways and drop-off/pick-up areas. The design of the new terminal will integrate sustainable technologies and improvements in energy efficiency. Construction is underway and is being phased to limit passenger inconvenience. Due to an acceleration effort that commenced in 2020, completion is expected by 2025.

### *Notes to the Consolidated Financial Statements*

In connection with the redevelopment, during 2017, we entered into an amended and restated terminal lease with the Port Authority with a term through 2050. Pursuant to the lease agreement, as amended to date, we will (1) fund (through debt issuance and existing cash) and undertake the design, management and construction of the terminal and certain off-premises supporting facilities, (2) receive a Port Authority contribution of approximately \$500 million to facilitate construction of the terminal and other supporting infrastructure, (3) be responsible for all operations and maintenance during the term of the lease and (4) have preferential rights to all gates in the terminal subject to Port Authority requirements with respect to accommodation of designated carriers. We currently expect our net project cost to be approximately \$3.5 billion and we bear the risks of project construction, including any potential cost over-runs. Using funding primarily provided by existing financing arrangements, we spent approximately \$950 million, which is primarily reflected in investing activities in our cash flows statement, during 2021, bringing the total amount spent on the project to date to approximately \$2.5 billion. See Note 6, "Debt," for additional information on the debt related to this redevelopment project, NYTDC Special Facilities Revenue Bonds, Series 2018 and NYTDC Special Facilities Revenue Bonds, Series 2020.

In 2019, we opened Concourse G, the first of four new concourses, housing seven of the 37 new gates. Not only did the new Concourse G provide the first direct impact to the Delta passenger experience, it also represented the first major phasing milestone. The next major milestone will be the opening of the headhouse and Concourse E, which is scheduled for the second quarter of 2022.

Based on our assessment of the project, we concluded that we do not control the underlying assets being constructed. Costs incurred by Delta are accounted for as leasehold improvements. We entered into loan agreements to fund a portion of the construction, which are recorded on our balance sheet as debt with the proceeds reflected as restricted cash.

### NOTE 9. EMPLOYEE BENEFIT PLANS

We sponsor defined benefit and defined contribution pension plans, healthcare plans and disability and survivorship plans for eligible employees and retirees and their eligible family members.

*Defined Benefit Pension Plans.* We sponsor defined benefit pension plans for eligible employees and retirees. These plans are closed to new entrants and frozen for future benefit accruals. Our funding obligations for qualified defined benefit plans are governed by the Employee Retirement Income Security Act and any applicable legislation. Under the Pension Protection Act of 2006, we elected alternative funding rules so that the unfunded liability for a frozen defined benefit plan may be amortized over a fixed 17-year period and is calculated using an 8.85% discount rate until the 17-year period expires for all frozen defined benefit plans by the end of 2024. Upon expiration, under recent legislation passed in 2021, any required funding would be amortized over a rolling 15-year period and calculated using a discount rate of no less than 4.75% through 2030. We have no minimum funding requirements for these plans in 2022 and do not plan to make voluntary contributions during 2022.

*Defined Contribution Pension Plans.* We sponsor several defined contribution plans. These plans generally cover different employee groups and employer contributions vary by plan. The costs associated with our defined contribution pension plans were approximately \$875 million, \$805 million and \$1.0 billion for the years ended December 31, 2021, 2020 and 2019, respectively.

*Postretirement Healthcare Plans.* We sponsor healthcare plans that provide benefits to eligible retirees and their dependents who are under age 65. We have generally eliminated company-paid post age 65 healthcare coverage, except for (1) subsidies available to a limited group of retirees and their dependents, (2) a group of retirees who retired prior to 1987 and (3) retiree medical accounts which provide a fixed dollar amount to eligible employees who retired under the 2012 voluntary workforce reduction programs or under the 2020 voluntary early retirement and separation programs ("voluntary programs"). Benefits under these plans are funded from current assets and employee contributions.

During 2020, we remeasured our postretirement healthcare obligation to account for the retiree medical accounts provided to eligible participants in our voluntary programs. As a result, we recorded a \$1.3 billion special termination benefit charge and increased our postretirement healthcare obligation by \$1.3 billion.

*Postemployment Plans.* We provide certain other welfare benefits to eligible former or inactive employees after employment but before retirement, primarily as part of the disability and survivorship plans. Substantially all employees are eligible for benefits under these plans in the event of death and/or disability.

*Notes to the Consolidated Financial Statements*  
*Benefit Obligations, Fair Value of Plan Assets and Funded Status*

(in millions)	Pension Benefits December 31,		Other Postretirement and Postemployment Benefits December 31,	
	2021	2020	2021	2020
Benefit obligation at beginning of period	\$ 22,626	\$ 21,199	\$ 4,766	\$ 3,379
Service cost	—	—	86	96
Interest cost	582	700	117	120
Actuarial (gain)/loss	(851)	2,051	23	247
Benefits paid, including lump sums and annuities	(1,279)	(1,233)	(405)	(356)
Participant contributions	—	—	18	20
Special termination benefits	—	—	—	1,260
Settlements	(5)	(91)	—	—
Benefit obligation at end of period <sup>(1)</sup>	\$ 21,073	\$ 22,626	\$ 4,605	\$ 4,766
Fair value of plan assets at beginning of period	\$ 16,541	\$ 15,845	\$ 496	\$ 607
Actual gain on plan assets	2,732	1,973	57	76
Employer contributions	1,513	47	192	189
Participant contributions	—	—	18	20
Benefits paid, including lump sums and annuities	(1,279)	(1,233)	(406)	(396)
Settlements	(5)	(91)	—	—
Fair value of plan assets at end of period	\$ 19,502	\$ 16,541	\$ 357	\$ 496
Funded status at end of period	\$ (1,571)	\$ (6,085)	\$ (4,248)	\$ (4,270)

(1) At the end of each year presented, our accumulated benefit obligations for our pension plans are equal to the benefit obligations shown above.

During 2021, actuarial gains decreased our benefit obligation due to the increase in discount rate, while in 2020 our obligation increased due to the actuarial losses from a decrease in discount rates. These gains and losses are recorded in AOCI and reflected in the table below. Amounts are generally amortized from AOCI over the expected future lifetime of plan participants.

*Balance Sheet Position*

(in millions)	Pension Benefits December 31,		Other Postretirement and Postemployment Benefits December 31,	
	2021	2020	2021	2020
Current liabilities	\$ (9)	\$ (10)	\$ (203)	\$ (143)
Noncurrent liabilities	(1,562)	(6,075)	(4,045)	(4,127)
Total liabilities	\$ (1,571)	\$ (6,085)	\$ (4,248)	\$ (4,270)
Net actuarial loss	\$ (7,462)	\$ (9,878)	\$ (831)	\$ (886)
Prior service credit	—	—	23	29
Total accumulated other comprehensive loss, pre-tax	\$ (7,462)	\$ (9,878)	\$ (808)	\$ (857)



*Notes to the Consolidated Financial Statements*  
*Net Periodic (Benefit) Cost*

(in millions)	Pension Benefits Year Ended December 31,			Other Postretirement and Postemployment Benefits Year Ended December 31,		
	2021	2020	2019	2021	2020	2019
Service cost	\$ —	\$ —	\$ —	\$ 86	\$ 96	\$ 83
Interest cost	582	700	833	117	120	137
Expected return on plan assets	(1,522)	(1,373)	(1,186)	(34)	(44)	(47)
Amortization of prior service credit	—	—	—	(6)	(9)	(9)
Recognized net actuarial loss	354	300	291	55	44	37
Settlements	2	38	5	—	—	—
Special termination benefits	—	—	—	—	1,260	—
<b>Net periodic (benefit) cost</b>	<b>\$ (584)</b>	<b>\$ (335)</b>	<b>\$ (57)</b>	<b>\$ 218</b>	<b>\$ 1,467</b>	<b>\$ 201</b>

Service cost is recorded in salaries and related costs in the income statement. Special termination benefits are recorded in restructuring charges, while all other components are recorded within pension and related benefit/(expense) under non-operating expense.

*Assumptions*

We used the following actuarial assumptions to determine our benefit obligations and our net periodic benefit cost for the periods presented:

Benefit Obligations(1)	December 31,	
	2021	2020
Weighted average discount rate	2.97	2.62

Net Periodic (Benefit) Cost(1)	Year Ended December 31,		
	2021	2020	2019
Weighted average discount rate - pension benefit	2.65 %	3.40 %	4.33 %
Weighted average discount rate - other postretirement benefit	2.43 %	3.47 %	4.32 %
Weighted average discount rate - other postemployment benefit	2.55 %	3.34 %	4.32 %
Weighted average expected long-term rate of return on plan assets	8.98 %	8.97 %	8.97 %
Assumed healthcare cost trend rate for the next year(2)	6.25 %	6.25 %	6.50 %

(1) Future employee compensation levels do not impact our frozen defined benefit pension plans or other postretirement plans and impact only a small portion of our other postemployment obligation.

(2) Healthcare cost trend rate is assumed to decline gradually to 5.00% by 2028 and remain unchanged thereafter.

**Expected Long-Term Rate of Return.** Our expected long-term rate of return on plan assets is based primarily on plan-specific investment studies using historical market return and volatility data. Modest excess return expectations versus some public market indices are incorporated into the return projections based on the actively managed structure of the investment programs and their records of achieving such returns historically. We also expect to receive a premium for investing in less liquid private markets. We review our rate of return on plan assets assumptions annually. Our annual investment performance for one particular year does not, by itself, significantly influence our evaluation. The investment strategy for our defined benefit pension plan assets is to earn a long-term return that meets or exceeds our annualized return target while taking an acceptable level of risk and maintaining sufficient liquidity to pay current benefits and other cash obligations of the plan. This is achieved by investing in a globally diversified mix of public and private equity, fixed income, real assets, hedge funds and other assets and instruments. Our weighted average expected long-term rate of return on assets for net periodic benefit cost for the year ended December 31, 2021 was 8.98%.

**Life Expectancy.** Changes in life expectancy may significantly impact our benefit obligations and future net periodic benefit cost. We use the Society of Actuaries ("SOA") published mortality data and other publicly available information to develop our best estimate of life expectancy. The SOA publishes updated mortality tables for U.S. plans and updated improvement scales. Each year we consider updates by the SOA in setting our mortality assumptions for purposes of measuring pension and other postretirement and postemployment benefit obligations.

*Notes to the Consolidated Financial Statements*  
*Benefit Payments*

Benefit payments in the table below are based on the same assumptions used to measure the related benefit obligations. Actual benefit payments may vary significantly from these estimates. Benefits earned under our pension plans and certain postemployment benefit plans are expected to be paid from funded benefit plan trusts, while our other postretirement benefits are funded from current assets.

The following table summarizes the benefit payments that are expected to be paid in the years ending December 31:

**Expected future benefit payments**

(in millions)	Pension Benefits	Other Postretirement and Postemployment Benefits
2022	\$ 1,290	\$ 420
2023	1,280	460
2024	1,270	460
2025	1,270	460
2026	1,260	460
2027-2031	6,110	2,160

*Plan Assets*

We have adopted and implemented investment policies for our defined benefit pension plans that incorporate strategic asset allocation mixes intended to best meet the plans' long-term obligations, while maintaining an appropriate level of risk and liquidity. These asset portfolios employ a diversified mix of investments, which are reviewed periodically. Active management strategies are utilized where feasible in an effort to realize investment returns in excess of market indices. Derivatives in the plans are primarily used to manage risk and gain asset class exposure while still maintaining liquidity. As part of these strategies, the plans are required to hold cash collateral associated with certain derivatives. Our investment strategies target a mix of 30-50% growth-seeking assets, 25-35% income-generating assets and 30-40% risk-diversifying assets. Risk diversifying assets include hedged mandates implementing long-short, market neutral and relative value strategies that invest primarily in publicly-traded equity, fixed income, foreign currency and commodity securities and are used to improve the impact of active management on the plans.

*Benefit Plan Assets Measured at Fair Value on a Recurring Basis*

**Benefit Plan Assets.** Benefit plan assets relate to our defined benefit pension plans and certain of our postemployment benefit plans. These investments are presented net of the related benefit obligation in pension, postretirement and related benefits on the balance sheets. See Note 3, "Fair Value Measurements," for a description of the levels within the fair value hierarchy and associated valuation techniques used to measure fair value. The following table shows our benefit plan assets by asset class.

**Benefit plan assets measured at fair value on a recurring basis**

(in millions)	December 31, 2021			December 31, 2020			Valuation Technique
	Level 1	Level 2	Total	Level 1	Level 2	Total	
Cash equivalents	\$ 2,390	\$ 2,097	\$ 4,487	\$ 305	\$ 3,359	\$ 3,664	(a)
Equities and equity-related instruments	1,034	161	1,195	1,061	59	1,120	(a)
Fixed income and fixed income-related instruments	69	979	1,048	—	882	882	(a)(b)
Delta common stock	407	—	407	507	—	507	(a)
Real assets	—	256	256	—	—	—	(a)
Benefit plan assets	\$ 3,900	\$ 3,493	\$ 7,393	\$ 1,873	\$ 4,300	\$ 6,173	
Investments measured at net asset value ("NAV") <sup>(1)</sup>			12,653			10,427	
Total benefit plan assets			\$ 20,046			\$ 16,600	

(1) Investments that were measured at NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy.

## Notes to the Consolidated Financial Statements

**Cash Equivalents.** These investments primarily consist of high-quality, short-term obligations that are a part of institutional money market mutual funds that are valued using current market quotations or an appropriate substitute that reflects current market conditions.

**Equities and Equity-Related Instruments.** These investments include common stock and equity-related instruments. Common stock is valued at the closing price reported on the active market on which the individual securities are traded. Equity-related instruments include investments in securities traded on exchanges, including listed futures and options, which are valued at the last reported sale prices on the last business day of the year or, if not available, the last reported bid prices. Over-the-counter securities are valued at the bid prices or the average of the bid and ask prices on the last business day of the year from published sources or, if not available, from other sources considered reliable, generally broker quotes.

**Fixed Income and Fixed Income-Related Instruments.** These investments include corporate bonds, government bonds, collateralized mortgage obligations and other asset-backed securities, and are generally valued at the bid price or the average of the bid and ask price. Prices are based on pricing models, quoted prices of securities with similar characteristics or broker quotes. Fixed income-related instruments include investments in securities traded on exchanges, including listed futures and options, which are valued at the last reported sale prices on the last business day of the year, or if not available, the last reported bid prices. Over-the-counter securities are valued at the bid prices or the average of the bid and ask prices on the last business day of the year from published sources or, if not available, from other sources considered reliable, generally broker quotes.

**Delta Common Stock.** The Delta common stock investment is managed by an independent fiduciary.

**Real Assets.** These investments include precious metals and precious metals-related instruments, some of which are valued at the closing price reported on the active market on which the individual instruments are traded, while others are priced based on pricing models, quoted prices of securities with similar characteristics or broker quotes.

The following table summarizes investments measured at fair value based on NAV per share as a practical expedient:

### Benefit plan investment assets measured at NAV

(in millions)	December 31, 2021			December 31, 2020		
	Fair Value	Redemption Frequency	Redemption Notice Period	Fair Value	Redemption Frequency	Redemption Notice Period
Hedge funds and hedge fund-related strategies <sup>(1)</sup>	\$ 7,563	(3)	2-180 Days	\$ 5,474	(3)	2-180 Days
Commingled funds, private equity and private equity-related instruments <sup>(2)</sup>	2,228	(3)	3-45 Days	2,136	(3)	3-30 Days
Fixed income and fixed income-related instruments <sup>(3)</sup>	877	(3)	65-90 Days	1,118	(3)	15-90 Days
Real assets <sup>(4)</sup>	773	(2)	N/A	671	(2)	N/A
Other	1,212	(1)	2-10 Days	1,028	(1)	2-90 Days
<b>Total investments measured at NAV</b>	<b>\$ 12,653</b>			<b>\$ 10,427</b>		

<sup>(1)</sup>Weekly, semi-monthly, monthly

<sup>(2)</sup>Semi-annually and annually

<sup>(3)</sup>Various. Includes funds with weekly, semi-monthly, monthly, quarterly and custom redemption frequencies as well as funds with a redemption window following the anniversary of the initial investment.

<sup>(4)</sup>Unfunded commitments were \$1.0 billion for commingled funds, private equity and private equity-related instruments, \$259 million for fixed income and fixed income-related instruments and \$386 million for real assets at December 31, 2021.

**Hedge Funds and Hedge Fund-Related Strategies.** These investments are primarily made through shares of limited partnerships or similar structures for which a liquid secondary market does not exist.

**Commingled Funds, Private Equity and Private Equity-Related Instruments.** These investments include commingled funds invested in common stock, as well as private equity and private equity-related instruments. Commingled funds are valued based on quoted market prices of the underlying assets owned by the fund. Private equity and private equity-related strategies are typically valued quarterly by the fund managers using valuation models where one or more of the significant inputs into the model cannot be observed and which require the development of assumptions.

#### *Notes to the Consolidated Financial Statements*

*Fixed Income and Fixed Income-Related Instruments.* These investments include commingled funds invested in debt obligations. Commingled funds are valued based on quoted market prices of the underlying assets owned by the fund. Private fixed income strategies are typically valued monthly or quarterly by the fund managers or third-party valuation agents using valuation models where one or more of significant inputs into the model cannot be observed and which require the development of assumptions.

*Real Assets.* These investments include real estate, energy, timberland, agriculture and infrastructure. The valuation of real assets requires significant judgment due to the absence of quoted market prices as well as the inherent lack of liquidity and the long-term nature of these assets. Real assets are typically valued quarterly by the fund managers using valuation models where one or more of the significant inputs into the model cannot be observed and which require the development of assumptions.

*Other.* Primarily includes globally-diversified, risk-managed commingled funds consisting mainly of equity, fixed income and commodity exposures.

On an annual basis we assess the potential for adjustments to the fair value of all investments. These investments valued using NAV as a practical expedient are typically valued on a monthly or quarterly basis by third-party administrators, valuation agents or fund managers with an annual audit performed by an independent third party, but certain of these investments have a lag in the availability of data. This primarily applies to private equity, private equity-related strategies and real assets. We solicit valuation updates from the investment fund managers and use their information and corroborating data from public markets to determine any needed fair value adjustments.

#### *Other*

We also sponsor defined benefit pension plans for eligible employees in certain foreign countries. These plans did not have a material impact on our Consolidated Financial Statements in any period presented.

#### *Voluntary Programs*

During 2020, in response to the COVID-19 pandemic, we announced the voluntary programs, which primarily applied to eligible U.S. merit, ground and flight attendant and pilot employees. Those employees who elected to participate in the voluntary programs were eligible for separation payments, continued healthcare benefits and certain participants received retiree medical accounts. The election and revocation windows for these programs closed during 2020 with approximately 18,000 employees electing to participate. We recorded \$3.4 billion in restructuring charges in our income statement associated with these programs and other employee benefit charges during 2020, including \$1.3 billion of special termination benefits (discussed above). The remainder of the restructuring charge primarily relates to separation payments and healthcare benefits. Approximately \$720 million was disbursed in cash payments to participants in the voluntary programs during 2020 and approximately \$575 million in 2021. An additional approximately \$250 million of cash payments were disbursed during 2020 related to unused vacation and other benefits, which were accrued prior to the voluntary programs charge. Accruals related to the voluntary programs are primarily recorded in pension, postretirement and related benefits, other noncurrent liabilities, other accrued liabilities and accrued salaries and related benefits on our balance sheet.

#### *Profit Sharing Program*

Our broad-based employee profit sharing program provides that, for each year in which we have an annual pre-tax profit, as defined by the terms of the program, we will pay a specified portion of that profit to employees. In determining the amount of profit sharing, the program defines profit as pre-tax profit adjusted for profit sharing and certain other items.

To recognize the extraordinary efforts of our employees through the pandemic, we will make a special profit-sharing payment to eligible employees in February 2022, based on the adjusted pre-tax profit earned during the second half of 2021.

For the years ended December 31, 2021 and 2019 we recorded profit sharing expense of \$108 million and \$1.6 billion, respectively. For the year ended December 31, 2020 we recorded no profit sharing expense.

*Notes to the Consolidated Financial Statements*  
**NOTE 10. COMMITMENTS AND CONTINGENCIES**

*Aircraft Purchase Commitments*

Our future aircraft purchase commitments totaled approximately \$16.2 billion at December 31, 2021:

<b>Aircraft purchase commitments</b>			<b>Total</b>
<i>(in millions)</i>			
2022		\$	3,700
2023			3,040
2024			3,290
2025			2,880
2026			2,340
Thereafter			920
<b>Total</b>		<b>\$</b>	<b>16,170</b>

Our future aircraft purchase commitments included the following aircraft at December 31, 2021:

<b>Aircraft purchase commitments by fleet type</b>			<b>Purchase Commitments</b>
<i>Fleet Type</i>			
A220-100			4
A220-300			40
A321-200neo			155
A330-900neo			26
A350-900			20
B-737-900ER			19
<b>Total</b>			<b>264</b>

*Aircraft Orders*

During 2021, we agreed with Airbus to add incremental aircraft to our order book by converting options for 55 A321neo aircraft into firm orders and replenishing 25 of our options. We expect to take delivery of our first A321neo in the first half of 2022, with deliveries of these aircraft continuing through 2027. Additionally, we agreed to move up two A350-900 deliveries and one A330-900neo delivery to occur in the second half of 2022.

During 2021, we agreed to acquire 29 B-737-900 aircraft and enter into leases for nine A350-900 aircraft. We began taking delivery of these preowned aircraft in 2021 and deliveries are expected to continue through the first quarter of 2022. Phased entry into service is expected through the summer of 2023.

*Contract Carrier Agreements*

We have contract carrier agreements with regional carriers expiring from 2022 to 2031. These agreements are structured as either capacity purchase or revenue proration agreements.

*Capacity Purchase Agreements.* Our regional carriers primarily operate for us under capacity purchase agreements. Under these agreements, the regional carriers operate some or all of their aircraft using our flight designator codes, and we control the scheduling, pricing, reservations, ticketing and seat inventories of those aircraft and retain the revenues associated with those flights. We pay those airlines an amount, as defined in the applicable agreement, which is based on a determination of their cost of operating those flights and other factors intended to approximate market rates for those services.

*Notes to the Consolidated Financial Statements*

The following table shows our minimum obligations under our existing capacity purchase agreements with third-party regional carriers. The obligations set forth in the table contemplate minimum levels of flying by the regional carriers under the respective agreements and also reflect assumptions regarding certain costs associated with the minimum levels of flying such as the cost of fuel, labor, maintenance, insurance, catering, property tax and landing fees. Accordingly, our actual payments under these agreements could differ materially from the minimum fixed obligations set forth in the table below.

Contract carrier minimum obligations	
(in millions)	Amount (1)
2022	\$ 1,513
2023	1,515
2024	1,488
2025	1,521
2026	1,534
Thereafter	4,141
<b>Total</b>	<b>\$ 11,732</b>

(1) These amounts exclude contract carrier payments accounted for as leases of aircraft, which are described in Note 7, "Leases."

*Revenue Proration Agreement.* As of December 31, 2021, a portion of our contract carrier arrangement with SkyWest Airlines, Inc. was structured as a revenue proration agreement. This revenue proration agreement establishes a fixed dollar or percentage division of revenues for tickets sold to passengers traveling on connecting flight itineraries.

*Legal Contingencies*

We are involved in various legal proceedings related to employment practices, environmental issues, antitrust matters and other matters concerning our business. We record liabilities for losses from legal proceedings when we determine that it is probable that the outcome in a legal proceeding will be unfavorable and the amount of loss can be reasonably estimated. Although the outcome of the legal proceedings in which we are involved cannot be predicted with certainty, we believe that the resolution of current matters will not have a material adverse effect on our Consolidated Financial Statements.

*Credit Card Processing Agreements*

Our VISA/MasterCard and American Express credit card processing agreements provide that no cash reserve ("Reserve") is required, and no withholding of payment related to receivables collected will occur, except in certain circumstances, including when we do not maintain a required level of liquidity as outlined in the merchant processing agreements. In circumstances in which the credit card processor can establish a Reserve or withhold payments, the amount of the Reserve or payments that may be withheld would be equal to the potential liability of the credit card processor for tickets purchased with VISA/MasterCard or American Express credit cards, as applicable, that had not yet been used for travel. We did not have a Reserve or an amount withheld as of December 31, 2021 or 2020.

*Other Contingencies*

*General Indemnifications*

We are the lessee under many commercial real estate leases. It is common in these transactions for us, as the lessee, to agree to indemnify the lessor and the lessor's related parties for tort, environmental and other liabilities that arise out of or relate to our use or occupancy of the leased premises. This type of indemnity would typically make us responsible to indemnify parties for liabilities arising out of the conduct of, among others, contractors, licensees and invitees at, or in connection with, the use or occupancy of the leased premises. This indemnity often extends to related liabilities arising from the negligence of the indemnified parties, but usually excludes any liabilities caused by either their sole or gross negligence or their willful misconduct.

Our aircraft and other equipment lease and financing agreements typically contain provisions requiring us, as the lessee or obligor, to indemnify the other parties to those agreements, including certain of those parties' related persons, against virtually any liabilities that might arise from the use or operation of the aircraft or other equipment.

### *Notes to the Consolidated Financial Statements*

We believe that our insurance would cover most of our exposure to liabilities and related indemnities associated with the commercial real estate leases and aircraft and other equipment lease and financing agreements described above. While our insurance does not typically cover environmental liabilities, we have insurance policies in place as required by applicable environmental laws.

Some of our aircraft and other financing transactions include provisions that require us to make payments to preserve an expected economic return to the lenders if that economic return is diminished due to specified changes in law or regulations. In some of these financing transactions, we also bear the risk of changes in tax laws that would subject payments to non-U.S. lenders to withholding taxes.

We cannot reasonably estimate our potential future payments under the indemnities and related provisions described above because we cannot predict (1) when and under what circumstances these provisions may be triggered and (2) the amount that would be payable if the provisions were triggered because the amounts would be based on facts and circumstances existing at such time.

### *Employees Under Collective Bargaining Agreements*

As of December 31, 2021, we had approximately 83,000 full-time equivalent employees, 20% of whom were represented by unions.

#### **Domestic airline employees represented by collective bargaining agreements by group**

Employee Group	Approximate Number of Employees Represented	Union	Date on which Collective Bargaining Agreement Becomes Amendable
Delta Pilots	13,180	ALPA	December 31, 2019
Delta Flight Superintendents (Dispatchers)	380	PAFCA	November 1, 2024
Endeavor Air Pilots	1,900	ALPA	January 1, 2029
Endeavor Air Flight Attendants	1,480	AFA	March 31, 2025

In addition to the domestic airline employee groups discussed above, approximately 180 refinery employees of our wholly owned subsidiary Monroe are represented by the United Steel Workers under an agreement that expires on February 28, 2022. This agreement is governed by the National Labor Relations Act, which generally allows either party to engage in self-help upon the expiration of the agreement. Certain of our employees outside the U.S. are represented by unions, work councils or other local representative groups.

### *Other*

We have certain contracts for goods and services that require us to pay a penalty, acquire inventory specific to us or purchase contract-specific equipment, as defined by each respective contract, if we terminate the contract without cause prior to its expiration date. Because these obligations are contingent on our termination of the contract without cause prior to its expiration date, no obligation would exist unless such a termination occurs.

## NOTE 11. INCOME TAXES

## Income Tax Provision

## Components of income tax (provision) benefit

(in millions)	Year Ended December 31,		
	2021	2020	2019
Current tax (provision) benefit:			
Federal	\$ —	\$ 94	\$ 94
State and local	(1)	3	(39)
International	(3)	(5)	(13)
Deferred tax (provision) benefit:			
Federal	(130)	2,766	(1,343)
State and local	16	344	(130)
Income tax (provision) benefit	\$ (118)	\$ 3,202	\$ (1,431)

The following table presents the principal reasons for the difference between the effective tax rate and the U.S. federal statutory income tax rate:

## Reconciliation of statutory federal income tax rate to the effective income tax rate

	Year Ended December 31,		
	2021	2020	2019
U.S. federal statutory income tax rate	21.0 %	21.0 %	21.0 %
State taxes, net of federal benefit	(4.4)	1.9	2.3
Permanent differences	4.9	(0.6)	(0.3)
Valuation allowance	9.1	(2.6)	0.7
Other	(0.8)	0.8	(0.6)
Effective income tax rate	29.8 %	20.5 %	23.1 %



*Notes to the Consolidated Financial Statements*  
*Deferred Taxes*

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes.

**Significant components of deferred income tax assets and liabilities**

(in millions)	December 31,	
	2021	2020
Deferred tax assets:		
Net operating loss carryforwards	\$ 1,301	\$ 1,495
Capital loss carryforward	480	483
Pension, postretirement and other benefits	2,089	2,956
Investments	314	—
Deferred revenue	2,288	1,929
Lease liabilities	2,452	2,185
Other	494	479
Valuation allowance	(833)	(460)
<b>Total deferred tax assets</b>	<b>\$ 8,585</b>	<b>\$ 9,067</b>
Deferred tax liabilities:		
Depreciation	\$ 4,463	\$ 4,507
Operating lease assets	1,676	1,324
Intangible assets	1,097	1,076
Other	55	172
<b>Total deferred tax liabilities</b>	<b>\$ 7,291</b>	<b>\$ 7,079</b>
<b>Net deferred tax assets</b>	<b>\$ 1,294</b>	<b>\$ 1,988</b>

As of December 31, 2021, we had approximately \$4.8 billion of U.S. federal pre-tax net operating loss carryforwards, of which \$1.1 billion was generated prior to 2018 and will not begin to expire until 2029. Under current tax law, the remaining amount has no expiration.

*Valuation Allowance*

We periodically assess whether it is more likely than not that we will generate sufficient taxable income to realize our deferred income tax assets. We establish valuation allowances if it is more likely than not that we will be unable to realize our deferred income tax assets. In making this determination, we consider available positive and negative evidence and make certain assumptions. We consider, among other things, projected future taxable income, scheduled reversals of deferred tax liabilities, the overall business environment, our historical financial results and tax planning strategies.

At December 31, 2021 our net deferred tax asset balance was \$1.3 billion, including an \$833 million valuation allowance primarily related to capital loss carryforwards and certain state net operating losses. Although we have recent cumulative losses, we have a history of significant earnings prior to the onset of the COVID-19 pandemic. While we expect to return to sustained profitability as the effects of the pandemic subside and to generate sufficient taxable income to utilize our federal net operating loss carryforwards before any expire, the generation of future taxable income is dependent on many factors, including those which are out of our control, such as the demand for air travel and overall health of the economy. As such, there are no guarantees that a valuation allowance will not be required against some or all of our deferred tax assets in future periods.

Our federal net operating loss carryforwards generated before 2018 do not begin to expire until 2029. Under current tax law, federal net operating losses generated after 2017 do not expire. Therefore, we have not recorded a valuation allowance on our deferred tax assets other than the capital loss carryforwards and certain state net operating losses that have short expiration periods.

*Notes to the Consolidated Financial Statements*

The following table presents the balance of our valuation allowance on our deferred income tax assets and the associated activity:

Valuation allowance activity		2021	2020
(in millions)			
Balance at January 1	\$	460	\$ 58
Tax provision		26	402
Equity investment activity		347	—
Balance at December 31	\$	833	\$ 460

*Other*

The amount of, and changes to, our uncertain tax positions were not material in any of the years presented. We are currently under audit by the IRS for the 2021 and 2020 tax years.

**NOTE 12. EQUITY AND EQUITY COMPENSATION***Equity*

We are authorized to issue 2.0 billion shares of capital stock, of which up to 1.5 billion may be shares of common stock, par value \$0.0001 per share, and up to 500 million may be shares of preferred stock.

*Preferred Stock.* We may issue preferred stock in one or more series. The Board of Directors is authorized (1) to fix the descriptions, powers (including voting powers), preferences, rights, qualifications, limitations and restrictions with respect to any series of preferred stock and (2) to specify the number of shares of any series of preferred stock. We have not issued any preferred stock.

*Treasury Stock.* We generally withhold shares of Delta common stock to cover employees' portion of required tax withholdings when employee equity awards are issued or vest. These shares are valued at cost, which equals the market price of the common stock on the date of issuance or vesting. The weighted average cost per share held in treasury was \$28.87 and \$28.23 as of December 31, 2021 and 2020, respectively.

*Warrants.* See Note 6, "Debt," for further discussion of the warrants issued during 2020 and 2021 in connection with the CARES Act payroll support program and extensions to acquire more than 11.1 million shares of Delta common stock.

*Equity Compensation*

Our broad-based equity and cash compensation plan provides for grants of restricted stock, stock options, performance awards, including cash incentive awards and other equity-based awards (the "Plan"). Shares of common stock issued under the Plan may be made available from authorized, but unissued, common stock or common stock we acquire. If any shares of our common stock are covered by an award that expires, is canceled, forfeited or otherwise terminates without delivery of shares (including shares surrendered or withheld for payment of taxes related to an award), such shares will again be available for issuance under the Plan except for (1) any shares tendered in payment of an option, (2) shares withheld to satisfy any tax withholding obligation with respect to the exercise of an option or stock appreciation right ("SAR") or (3) shares covered by a stock-settled SAR or other awards that were not issued upon the settlement of the award. The Plan authorizes the issuance of up to 163 million shares of common stock. As of December 31, 2021, there were 19 million shares available for future grants.

We make long-term incentive awards annually to eligible employees under the Plan. Generally, awards vest over time, subject to the employee's continued employment. Equity compensation expense, including awards payable in common stock or cash, is recognized in salaries and related costs over the employee's requisite service period (generally, the vesting period of the award) and totaled \$149 million, \$119 million and \$161 million for the years ended December 31, 2021, 2020 and 2019, respectively. We record expense on a straight-line basis for awards with installment vesting. As of December 31, 2021, unrecognized costs related to unvested shares and stock options totaled \$77 million. We expect substantially all unvested awards to vest and recognize forfeitures as they occur.

## Notes to the Consolidated Financial Statements

**Restricted Stock.** Restricted stock is common stock that may not be sold or otherwise transferred for a period of time and is subject to forfeiture in certain circumstances. The fair value of restricted stock awards is based on the closing price of the common stock on the grant date. As of December 31, 2021, there were 2.9 million unvested restricted stock awards. Restricted stock activity under the plan for the years ended December 31, 2021, 2020 and 2019 is as follows:

### Restricted Stock Award Activity

	2021		2020		2019	
	Restricted Stock Awards	Weighted-Average Grant Price	Restricted Stock Awards	Weighted-Average Grant Price	Restricted Stock Awards	Weighted-Average Grant Price
(in millions, except wtd avg grant price)						
Outstanding at January 1	2.2	\$ 54.06	2.6	\$ 51.28	2.4	\$ 49.24
Granted	2.3	39.93	1.4	56.84	1.8	51.75
Vested	(1.4)	51.15	(1.6)	51.95	(1.5)	48.65
Forfeited	(0.2)	44.01	(0.2)	56.11	(0.1)	50.78
Outstanding at December 31	2.9	\$ 45.66	2.2	\$ 54.06	2.6	\$ 51.28

**Stock Options.** Stock options are granted with an exercise price equal to the closing price of Delta common stock on the grant date and generally have a 10-year term. We determine the fair value of stock options at the grant date using an option pricing model. As of December 31, 2021, there were 6.2 million outstanding stock option awards with a weighted average exercise price of \$50.41 of which 3.3 million were exercisable. Stock option activity under the plan for the years ended December 31, 2021, 2020 and 2019 is as follows:

### Stock Option Activity

	2021		2020		2019	
	Stock Options	Weighted-Average Exercise Price	Stock Options	Weighted-Average Exercise Price	Stock Options	Weighted-Average Exercise Price
(in millions, except wtd avg grant price)						
Outstanding at January 1	5.4	\$ 52.37	3.9	\$ 49.57	2.5	\$ 48.99
Granted	1.0	39.78	1.6	58.89	1.4	50.52
Exercised	—	—	(0.1)	44.05	—	—
Forfeited	(0.2)	49.61	—	—	—	—
Outstanding at December 31	6.2	\$ 50.41	5.4	\$ 52.37	3.9	\$ 49.57

**Performance Awards.** Performance awards are dollar-denominated long-term incentive opportunities which, for grants prior to 2021, are payable in Delta stock to executive officers on the payment date and in cash to all other participants. Beginning with the 2021 grants, performance awards are payable in cash to all participants. Potential performance award payments range from 0%-200% of a target level and are contingent upon our achieving certain financial and operational goals over a three-year performance period. Based on the closing stock price at each respective year end and contingent on achieving the specified performance conditions, the maximum shares that could be issued were 1.5 million, 2.2 million and 1.4 million for the years ended December 31, 2021, 2020 and 2019, respectively.

## NOTE 13. ACCUMULATED OTHER COMPREHENSIVE LOSS

## Components of accumulated other comprehensive loss

(in millions)	Pension and Other Benefits Liabilities <sup>(2)</sup>	Other <sup>(3)</sup>	Total
Balance at January 1, 2019 (net of tax effect of \$1,492)	\$ (7,925)	\$ 100	\$ (7,825)
Changes in value (net of tax effect of \$133)	(422)	7	(415)
Reclassifications into earnings (net of tax effect of \$76) <sup>(1)</sup>	252	(1)	251
Balance at December 31, 2019 (net of tax effect of \$1,549)	(8,095)	106	(7,989)
Changes in value (net of tax effect of \$384)	(1,269)	17	(1,252)
Reclassifications into earnings (net of tax effect of \$169) <sup>(1)</sup>	286	(83)	203
Balance at December 31, 2020 (net of tax effect \$1,764)	(9,078)	40	(9,038)
Changes in value (net of tax effect of \$484)	1,593	—	1,593
Reclassifications into earnings (net of tax effect of \$96) <sup>(1)</sup>	315	—	315
Balance at December 31, 2021 (net of tax effect of \$1,184)	\$ (7,170)	\$ 40	\$ (7,130)

(1) Amounts reclassified from AOCI for pension and other benefits liabilities are recorded in pension and related benefit/(expense) in non-operating expense in the income statement.

(2) Includes approximately \$760 million of deferred income tax expense as a result of tax law changes and prior valuation allowance releases through continuing operations, that will not be recognized in net income until pension and other benefit obligations are fully extinguished.

(3) In 2020, all remaining foreign currency hedges expired, and we recognized an \$83 million tax benefit which was released from AOCI.

NOTE 14. SEGMENTS

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker and is used in resource allocation and performance assessments. Our chief operating decision maker is considered to be our executive leadership team. Our executive leadership team regularly reviews discrete information for our two operating segments, which are determined by the products and services provided: our airline segment and our refinery segment.

*Airline Segment*

Our airline segment is managed as a single business unit that provides scheduled air transportation for passengers and cargo throughout the U.S. and around the world and includes our loyalty program, as well as other ancillary airline services. This allows us to benefit from an integrated revenue pricing and route network. Our flight equipment forms one fleet, which is deployed through a single route scheduling system. When making resource allocation decisions, our chief operating decision maker evaluates flight profitability data, which considers fleet type and route economics, but gives no weight to the financial impact of the resource allocation decision on a geographic region or mainline/regional carrier basis. Our objective in making resource allocation decisions is to optimize our consolidated financial results.

*Refinery Segment*

Our Monroe subsidiary operates the Trainer oil refinery and related assets located near Philadelphia, Pennsylvania, as part of our strategy to mitigate the cost of the refining margin reflected in the price of jet fuel. Monroe's operations include pipelines and terminal assets that allow the refinery to supply jet fuel to our airline operations throughout the Northeastern U.S., including our New York hubs at LaGuardia and JFK.

Our refinery segment operates for the benefit of the airline segment by providing jet fuel to the airline segment from its own production and through jet fuel obtained through agreements with third parties. The refinery's production consists of jet fuel, as well as non-jet fuel products. We use several counterparties to exchange the non-jet fuel products produced by the refinery for jet fuel consumed in our airline operations. The gross fair value of the products exchanged under these agreements during the years ended December 31, 2021, 2020 and 2019 was \$2.3 billion, \$1.5 billion and \$4.0 billion, respectively. The decline in exchange transactions compared to the year ended December 31, 2019 is primarily due to the decrease in demand for jet fuel from our airline operations as a result of the economic conditions caused by the COVID-19 pandemic.

*Segment Reporting*

Segment results are prepared based on our internal accounting methods described below, with reconciliations to consolidated amounts in accordance with GAAP. Our segments are not designed to measure operating income or loss directly related to the products and services included in each segment on a stand-alone basis.

Notes to the Consolidated Financial Statements

Financial information by segment

(in millions)	Airline	Refinery	Intersegment Sales/Other	Consolidated
Year Ended December 31, 2021				
Operating revenue:	\$ 26,670	\$ 6,054		\$ 29,899
Sales to airline segment			\$ (492) <sup>(1)</sup>	
Exchanged products			(2,293) <sup>(2)</sup>	
Sales of refined products			(40) <sup>(3)</sup>	
Operating income (loss) <sup>(4)</sup>	1,888	(2)		1,886
Interest expense, net	1,272	7		1,279
Depreciation and amortization	1,998	95	(95) <sup>(4)</sup>	1,998
Restructuring charges	(19)	—		(19)
Total assets, end of period	70,360	2,099		72,459
Net fair value obligations, end of period <sup>(5)</sup>	—	(497)		(497)
Capital expenditures	3,188	59		3,247
Year Ended December 31, 2020				
Operating revenue:	\$ 15,945	\$ 3,143		\$ 17,095
Sales to airline segment			\$ (214) <sup>(1)</sup>	
Exchanged products			(1,472) <sup>(2)</sup>	
Sales of refined products			(307) <sup>(3)</sup>	
Operating loss <sup>(4)</sup>	(12,253)	(216)		(12,469)
Interest expense, net	928	1		929
Depreciation and amortization	2,312	99	(99) <sup>(4)</sup>	2,312
Restructuring charges	8,219	—		8,219
Total assets, end of period	70,548	1,448		71,996
Net fair value obligations, end of period <sup>(5)</sup>	—	(156)		(156)
Capital expenditures	1,879	20		1,899
Year Ended December 31, 2019				
Operating revenue:	\$ 46,910	\$ 5,558		\$ 47,007
Sales to airline segment			\$ (1,103) <sup>(1)</sup>	
Exchanged products			(3,963) <sup>(2)</sup>	
Sales of refined products			(395) <sup>(3)</sup>	
Operating income <sup>(4)</sup>	6,542	76		6,618
Interest expense (income), net	327	(26)		301
Depreciation and amortization	2,581	99	(99) <sup>(4)</sup>	2,581
Total assets, end of period	62,793	1,739		64,532
Net fair value obligations, end of period <sup>(5)</sup>	—	(4)		(4)
Capital expenditures	4,880	56		4,936

(1)Represents transfers, valued on a market price basis, from the refinery to the airline segment for use in airline operations. We determine market price by reference to the market index for the primary delivery location, which is New York Harbor, for jet fuel from the refinery.

(2)Represents value of products delivered under our exchange agreements, as discussed above, determined on a market price basis.

(3)These sales were at or near cost; accordingly, the margin on these sales is *de minimis*.

(4)Refinery segment operating results, including depreciation and amortization, are included within aircraft fuel and related taxes in our income statement.

(5)The fair values of these obligations, which are related to renewable fuel compliance costs, are based on quoted market prices and other observable information and are classified as Level 2 in the fair value hierarchy. At December 31, 2021 we had a gross fair value obligation of \$593 million recorded in current liabilities on the balance sheet and related assets of \$96 million. Our obligation as of December 31, 2021 was calculated using the EPA's proposed Renewable Fuel Standard ("RFS") volume requirements for 2020 and 2021, which were issued in December 2021. The EPA has not finalized the compliance deadlines to retire our obligations for 2020 and 2021, but we expect those deadlines to be within one year of the effective date of the new RFS volume requirements. At December 31, 2020 we had a gross fair value obligation of \$172 million and related assets of \$16 million. At December 31, 2019 we had a gross fair value obligation of \$58 million and related assets of \$54 million. We expect to use the assets in settling a portion of our obligations.

## NOTE 15. RESTRUCTURING

As a result of the unprecedented, widespread and persistent impact of the COVID-19 pandemic, demand for travel declined at a rapid pace in the March 2020 quarter and remained depressed throughout 2020, which had an unprecedented and materially adverse impact on our results of operations and financial position. Although demand improved throughout 2021, system-wide demand remained below pre-pandemic levels. During 2020, we implemented enhanced measures focusing on the safety of our customers and employees, while at the same time seeking to mitigate the impact on our financial position and operations and to position our business for recovery through actions including fleet retirements, offering voluntary retirement and separation programs and other decisions. These actions resulted in significant restructuring charges during 2020 which are summarized as follows:

## Restructuring charges by category

(in millions)	Year Ended December 31, 2020
Fleet Retirements	\$ 4,409
Voluntary Programs and Other Employee Benefit Charges	3,409
Receivables and Other	401
Total Restructuring Charges	\$ 8,219

During 2021, we recorded \$19 million of net adjustments to decrease certain of these restructuring charges, representing changes in our estimates.

**Fleet Retirements.** As a result of the COVID-19 pandemic and our response, we made decisions to remove certain aircraft from active service and to early retire certain fleets. The table below summarizes the number of leased and owned aircraft being retired early, though we remain flexible and may decide to fly certain aircraft beyond their planned retirement date, to the extent supported by demand.

## Fleet retirement by aircraft type

Fleet Type	Number of Aircraft	Planned Retirement During the Quarter Ended	Impairment-Related Charge (in millions)
777	18	December 2020	\$ 1,440
767-300ER	56	December 2025	1,084
717	91	December 2025	950
MD-90	26	June 2020	335
CRJ-200 <sup>(1)</sup>	125	December 2023	320
737-700	10	September 2020	223
A320	10	June 2020	57
MD-88 <sup>(2)</sup>	47	June 2020	—
Total	383		\$ 4,409

<sup>(1)</sup>Certain of the CRJ-200 aircraft scheduled to be retired by the December 2023 quarter are operated for us by SkyWest Airlines under a revenue proration agreement.

<sup>(2)</sup>During the March 2020 quarter, we recorded a \$22 million charge related to accelerating the planned retirement of the MD-88 fleet from December 2020 to June 2020. However, this amount was recorded in depreciation and amortization, rather than in restructuring charges, as it would have been incurred during 2020 prior to the onset of the COVID-19 pandemic.

These impairment and other related charges were recorded in restructuring charges in our income statement. These charges were calculated using Level 3 fair value inputs based primarily upon recent market transactions and third-party bids, which were corroborated with published pricing guides and our assessment of existing market conditions based on industry knowledge. Following the impairment charges, the aggregate net book value of these aircraft as of December 31, 2021 and December 31, 2020 was approximately \$340 million and \$500 million, respectively, with the reduction in 2021 primarily due to aircraft sales.

*Notes to the Consolidated Financial Statements*

**Voluntary Programs and Other Employee Benefit Charges.** During 2020, in response to the COVID-19 pandemic, we announced the voluntary programs, which primarily applied to eligible U.S. merit, ground and flight attendant and pilot employees. We recorded \$3.4 billion in restructuring charges in our income statement associated with these programs and other employee benefit charges during 2020, including \$1.3 billion of special termination benefits. See Note 9, "Employee Benefit Plans," for more information on these voluntary programs.

**Receivables and Other.** Based on our assessment of collectability, during the year ended December 31, 2020, we recorded approximately \$100 million of reserves against outstanding receivables from LATAM, Grupo Aeroméxico, GOL, Virgin Atlantic and others.

**NOTE 16. EARNINGS/(LOSS) PER SHARE**

We calculate basic earnings/(loss) per share and diluted (loss) per share by dividing net income/(loss) by the weighted average number of common shares outstanding, excluding restricted shares. We calculate diluted earnings per share by dividing net income by the weighted average number of common shares outstanding plus the dilutive effect of outstanding share-based awards, including stock options, restricted stock awards and warrants. Antidilutive common stock equivalents excluded from the diluted earnings/(loss) per share calculation are not material. The following table shows our computation:

**Basic and diluted earnings/(loss) per share**

(in millions, except per share data)	Year Ended December 31,		
	2021	2020	2019
Net income/(loss)	\$ 280	\$ (12,385)	\$ 4,767
Basic weighted average shares outstanding	636	636	651
Dilutive effect of share-based awards	5	—	2
Diluted weighted average shares outstanding	641	636	653
Basic earnings/(loss) per share	\$ 0.44	\$ (19.49)	\$ 7.32
Diluted earnings/(loss) per share	\$ 0.44	\$ (19.49)	\$ 7.30



## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

### ITEM 9A. CONTROLS AND PROCEDURES

#### Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, performed an evaluation of our disclosure controls and procedures, which have been designed to permit us to record, process, summarize and report, within time periods specified by the SEC's rules and forms, information required to be disclosed. Our management, including our Chief Executive Officer and Chief Financial Officer, concluded that the controls and procedures were effective as of December 31, 2021 to ensure that material information was accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

#### Changes in Internal Control

During the three months ended December 31, 2021, we did not make any changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies may deteriorate.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2021 using the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in the 2013 Internal Control-Integrated Framework. Based on that evaluation, management believes that our internal control over financial reporting was effective as of December 31, 2021.

The effectiveness of our internal control over financial reporting as of December 31, 2021 has been audited by Ernst & Young LLP, an independent registered public accounting firm, which also audited our Consolidated Financial Statements for the year ended December 31, 2021. Ernst & Young LLP's report on our internal control over financial reporting is set forth below.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of  
Delta Air Lines, Inc.

### Opinion on Internal Control over Financial Reporting

We have audited Delta Air Lines, Inc.'s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Delta Air Lines, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, and the related consolidated statements of operations, comprehensive income/(loss), cash flows and stockholders' equity for each of the three years in the period ended December 31, 2021, and the related notes and our report dated February 11, 2022 expressed an unqualified opinion thereon.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitation of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Atlanta, Georgia  
February 11, 2022

/s/ Ernst & Young LLP

**ITEM 9B. OTHER INFORMATION**

None.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not Applicable.

**PART III****ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Information required by this item is set forth under the headings "Governance - Board Matters," "Proposal 1 - Election of Directors," and "Executive Compensation - Executive Officers" in our Proxy Statement to be filed with the Commission related to our 2022 Annual Meeting of Stockholders ("Proxy Statement"), and is incorporated by reference.

**ITEM 11. EXECUTIVE COMPENSATION**

Information required by this item is set forth under the headings "Executive Compensation" and "Director Compensation" in our Proxy Statement and is incorporated by reference.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS****Securities Authorized for Issuance Under Equity Compensation Plans**

The following table provides information about the number of shares of common stock that may be issued under Delta's equity compensation plans as of December 31, 2021.

**Equity compensation plan information**

Plan Category	(a) No. of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights <sup>(1)</sup>	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights <sup>(2)</sup>	(c) No. of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) <sup>(3)</sup>
Equity compensation plans approved by securities holders	7,777,834	\$ 40.41	19,117,558
Equity compensation plans not approved by securities holders	—	—	—
<b>Total</b>	<b>7,777,834</b>	<b>\$ 40.41</b>	<b>19,117,558</b>

<sup>(1)</sup>Includes a maximum of 1,543,006 shares of common stock that may be issued upon the achievement of certain performance conditions under outstanding performance share awards as of December 31, 2021.

<sup>(2)</sup>Includes performance share awards, which do not have exercise prices. The weighted average exercise price of outstanding options at December 31, 2021 was \$50.41.

<sup>(3)</sup>Reflects shares remaining available for issuance under Delta's Performance Compensation Plan. If any shares of our common stock are covered by an award under the Plan that expires, is canceled, forfeited or otherwise terminates without delivery of shares (including shares surrendered or withheld for payment of taxes related to an award), then such shares will again be available for issuance under the Plan except for (1) any shares tendered in payment of an option, (2) shares withheld to satisfy any tax withholding obligation with respect to the exercise of an option or stock appreciation right ("SAR") or (3) shares covered by a stock-settled SAR or other awards that were not issued upon the settlement of the award. Because 2,938,646 shares of restricted stock remained unvested and subject to forfeiture as of December 31, 2021, these shares could again be available for issuance.

Other information required by this item is set forth under the heading "Share Ownership - Beneficial Ownership of Securities" in our Proxy Statement and is incorporated by reference.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

Information required by this item is set forth under the headings "Governance - Board Matters" and "Proposal 1 - Election of Directors" in our Proxy Statement and is incorporated by reference.

**ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

Information required by this item is set forth under the heading "Proposal 3 - Ratification of the Appointment of Independent Auditors" in our Proxy Statement and is incorporated by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1). The following is an index of the financial statements required by this item that are included in this Form 10-K:

Report of Independent Registered Public Accounting Firm  
Consolidated Balance Sheets—December 31, 2021 and 2020  
Consolidated Statements of Operations for the years ended December 31, 2021, 2020 and 2019  
Consolidated Statements of Comprehensive Income/(Loss) for the years ended December 31, 2021, 2020 and 2019  
Consolidated Statements of Cash Flows for the years ended December 31, 2021, 2020 and 2019  
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2021, 2020 and 2019  
Notes to the Consolidated Financial Statements

(2). Financial Statement Schedules. Financial statement schedules are not included herein as the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the Consolidated Financial Statements and accompanying notes included in this Form 10-K.

(3). Exhibit List.

The exhibits required by this item are listed below. The management contracts and compensatory plans or arrangements required to be filed as an exhibit to this Form 10-K are listed as Exhibits 10.14 through 10.23.

*Note to Exhibits:* Any representations and warranties of a party set forth in any agreement (including all exhibits and schedules thereto) filed with this Annual Report on Form 10-K have been made solely for the benefit of the other party to the agreement. Some of those representations and warranties were made only as of the date of the agreement or such other date as specified in the agreement, may be subject to a contractual standard of materiality different from what may be viewed as material to stockholders, or may have been used for the purpose of allocating risk between the parties rather than establishing matters as facts. Such agreements are included with this filing only to provide investors with information regarding the terms of the agreements, and not to provide investors with any other factual or disclosure information regarding the registrant or its business.

3.1(a) Delta's Amended and Restated Certificate of Incorporation (Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on April 30, 2007).\*

3.1 (b) Amendment to Amended and Restated Certificate of Incorporation (Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on June 27, 2014).\*

3.2 Delta's Bylaws (Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on February 8, 2019).\*

4.1 Description of Registrant's Securities (Filed as Exhibit 4.1 to Delta's Annual Report on Form 10-K for the year ended December 31, 2020).\*

*Delta is not filing any instruments evidencing any indebtedness because the total amount of securities authorized under any single such instrument does not exceed 10% of the total assets of Delta and its subsidiaries on a consolidated basis. Copies of such instruments will be furnished to the Securities and Exchange Commission upon request.*

10.1(a) Credit Agreement, dated as of April 19, 2018, among Delta Air Lines, Inc., as borrower, the lenders party thereto and JP Morgan Chase Bank, N.A., as administrative agent (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018).\*

10.1(b) Amendment No. 1 to Credit Agreement, dated as of June 29, 2020, among Delta Air Lines, Inc., the lenders party thereto, and JP Morgan Chase Bank, N.A., as administrative agent (Filed as Exhibit 10.5 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020).\*

- 10.1(c) Amendment No. 2 to Credit Agreement, dated as of November 17, 2021, among Delta Air Lines, Inc., JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and the lenders party thereto.
- 10.2(a) 364-Day Term Loan Credit Agreement, dated as of March 17, 2020, among Delta Air Lines, Inc., the lenders party thereto, and JP Morgan Chase Bank, N.A., as administrative agent (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020).\*
- 10.2(b) Amendment No. 1 to 364-Day Term Loan Credit Agreement, dated as of April 3, 2020, among Delta Air Lines, Inc., the lenders party thereto, and JP Morgan Chase Bank, N.A., as administrative agent (Filed as Exhibit 10.4(a) to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020).\*
- 10.2(c) Amendment No. 2 to 364-Day Term Loan Credit Agreement, dated as of June 29, 2020, among Delta Air Lines, Inc., the lenders party thereto, and JP Morgan Chase Bank, N.A., as administrative agent (Filed as Exhibit 10.4(b) to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020).\*
- 10.3(a) Payroll Support Program Agreement, dated as of April 20, 2020, between Delta Air Lines, Inc. and the United States Department of the Treasury (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020).\*
- 10.3(b) Warrant Agreement, dated as of April 20, 2020, between Delta Air Lines, Inc. and the United States Department of the Treasury (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020).\*
- 10.3(c) Form of Warrant to Purchase Common Stock (Filed as Exhibit 10.4(b) to Delta's Annual Report on Form 10-K for the year ended December 31, 2020).\*
- 10.4(a) Payroll Support Program Extension Agreement, dated as of January 15, 2021, between Delta Air Lines, Inc. and the United States Department of the Treasury (Filed as Exhibit 10.7 to Delta's Annual Report on Form 10-K for the year ended December 31, 2020).\*
- 10.4(b) Warrant Agreement, dated as of January 15, 2021, between Delta Air Lines, Inc. and the United States Department of the Treasury (Filed as Exhibit 10.8(a) to Delta's Annual Report on Form 10-K for the year ended December 31, 2020).\*
- 10.4(c) Form of Warrant to Purchase Common Stock (Filed as Exhibit 10.8(b) to Delta's Annual Report on Form 10-K for the year ended December 31, 2020).\*
- 10.5(a) Payroll Support Program 3 Agreement, dated as of April 23, 2021, between Delta Air Lines, Inc. and the United States Department of the Treasury (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021).\*
- 10.5(b) Warrant Agreement, dated as of April 23, 2021, between Delta Air Lines, Inc. and the United States Department of the Treasury (including Form of Warrant to Purchase Common Stock) (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021).\*
- 10.6 Term Loan Credit and Guaranty Agreement, dated as of September 23, 2020, among Delta, SkyMiles IP Ltd., the guarantors party thereto, Barclays Bank PLC, as administrative agent, U.S. Bank National Association, as collateral administrator, and the lenders party thereto (Filed as Exhibit 10.1 to Delta's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 25, 2020).\*
- 10.7 Anchor Tenant Agreement dated as of December 9, 2010 between JFK International Air Terminal LLC and Delta Air Lines, Inc. (Filed as Exhibit 10.4 to Delta's Annual Report on Form 10-K for the year ended December 31, 2010).\*
- 10.8 Amended and Restated Agreement of Lease by and between The Port Authority of New York and New Jersey and Delta Air Lines, Inc., dated as of September 13, 2017 (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017).\*

- 10.9(a) Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement dated as of November 24, 2014 between Airbus S.A.S and Delta Air Lines, Inc. (Filed as Exhibit 10.9 to Delta's Annual Report on Form 10-K for the year ended December 31, 2014).\*/\*\*
- 10.9(b) Amendment No. 3, dated May 10, 2017, to Airbus A330-900 Aircraft and A350-900 Aircraft Purchase Agreement dated as of November 24, 2014 between Airbus S.A.S. and Delta Air Lines, Inc. ("Amendment No. 3") (Filed as Exhibit 10.2(a) to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017).\*/\*\*
- 10.9(c) Letter Agreements, dated May 10, 2017, relating to Amendment No. 3 (Filed as Exhibit 10.2(b) to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017).\*/\*\*
- 10.9(d) Amendment No. 8, dated as of October 30, 2018, to Airbus A330-900 Aircraft and A350-900 Aircraft Purchase Agreement dated as of November 24, 2014 between Airbus S.A.S. and Delta Air Lines, Inc. ("Amendment No. 8") (Filed as Exhibit 10.7(d) to Delta's Annual Report on Form 10-K for the year ended December 31, 2018).\*/\*\*
- 10.9(e) Letter Agreements, dated as of October 30, 2018, relating to Amendment No. 8 (Filed as Exhibit 10.7(e) to Delta's Annual Report on Form 10-K for the year ended December 31, 2018).\*/\*\*
- 10.9(f) Amendment No 11, dated as of July 30, 2020 to Airbus A330-900 Aircraft and A350-900 Aircraft Purchase Agreement, dated as of November 24, 2014 between Delta and Airbus S.A.S. (Filed as Exhibit 10.1(a) to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).\*/\*\*
- 10.9(g) Amended and Restated Letter Agreement No. 1, dated as of July 30, 2020, relating to Airbus A330-900 Aircraft and A350-900 Aircraft Purchase Agreement dated as of November 24, 2014 (Filed as Exhibit 10.1(b) to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).\*/\*\*
- 10.9(h) Amended and Restated Letter Agreement No. 4, dated as of July 30, 2020, relating to Airbus A330-900 Aircraft and A350-900 Aircraft Purchase Agreement dated as of November 24, 2014\*\* (Filed as Exhibit 10.1(c) to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).\*/\*\*
- 10.10(a) Airbus A321neo Aircraft Purchase Agreement dated as of December 15, 2017 between Airbus S.A.S. and Delta Air Lines, Inc. (Filed as Exhibit 10.10 to Delta's Annual Report on Form 10-K for the year ended December 31, 2017).\*/\*\*
- 10.10(b) Amendment No. 2, dated as of July 30, 2020 to Airbus A321neo Aircraft Purchase Agreement, dated as of December 15, 2017 between Delta and Airbus S.A.S. (Filed as Exhibit 10.2(a) to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).\*/\*\*
- 10.10(c) Amended and Restated Letter Agreement No. 3, dated as of July 30, 2020, relating to Airbus A321neo Aircraft Purchase Agreement, dated as of December 15, 2017 between Delta and Airbus S.A.S. (Filed as Exhibit 10.2(b) to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).\*/\*\*
- 10.10(d) Amendment No. 3, dated April 22, 2021, to Airbus A321neo Aircraft Purchase Agreement, dated as of December 15, 2017, between Airbus S.A.S. and Delta Air Lines, Inc. ("Amendment No. 3") (Filed as Exhibit 10.3(a) to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021).\*/\*\*
- 10.10(e) Amended and Restated Letter Agreements related to Amendment No. 3, dated April 22, 2021 (Filed as Exhibit 10.3(b) to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021).\*/\*\*
- 10.10(f) Amendment No. 4, dated August 20, 2021, to Airbus A321neo Aircraft Purchase Agreement, dated as of December 15, 2017, between Airbus S.A.S. and Delta Air Lines, Inc. ("Amendment No. 4") (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021).\*/\*\*
- 10.10(g) Amended and Restated Letter Agreements No. 3 related to Amendment No. 4, dated August 20, 2021 (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021).\*/\*\*

- 10.11 Framework Agreement, dated as of September 26, 2019, by and between LATAM Airlines Group S.A. and Delta Air Lines, Inc. (Filed as Exhibit 10.1 to Delta Quarterly Report on Form 10-Q for the quarter ended September 30, 2019).\*/\*\*
- 10.12 Delta Air Lines, Inc. Performance Compensation Plan (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016).\*
- 10.13(a) Delta Air Lines, Inc. Officer and Director Severance Plan, as amended and restated as of June 1, 2016 (Filed as Exhibit 10.3 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016).\*
- 10.13(b) Amendment to Delta Air Lines, Inc. Officer and Director Severance Plan, as amended and restated as of June 1, 2016 (Filed as Exhibit 10.15(b) to Delta's Annual Report on Form 10-K for the year ended December 31, 2020).\*
- 10.14 Description of Certain Benefits of Members of the Board of Directors and Executive Officers.
- 10.15(a) Delta Air Lines, Inc. 2019 Long-Term Incentive Program (Filed as Exhibit 10.16 to Delta's Annual Report on Form 10-K for the year ended December 31, 2018).\*
- 10.15(b) Model Award Agreement for the Delta Air Lines, Inc. 2019 Long-Term Incentive Program (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019).\*
- 10.16(a) Delta Air Lines, Inc. 2020 Long-Term Incentive Program (Filed as Exhibit 10.14 to Delta's Annual Report on Form 10-K for the year ended December 31, 2019).\*
- 10.16(b) Model Award Agreement for the Delta Air Lines, Inc. 2020 Long-Term Incentive Program (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020).\*
- 10.17 Delta Air Lines, Inc. Management Incentive Plan (Filed as Exhibit 10.21 to Delta's Annual Report on Form 10-K for the year ended December 31, 2020).\*
- 10.18 Model Award Agreement for the Delta Air Lines, Inc. 2021 Long-Term Incentive Program (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021).\*
- 10.19 Delta Air Lines, Inc. Restoration Long Term Disability Plan (Filed as Exhibit 10.24 to Delta's Annual Report on Form 10-K for the year ended December 31, 2011).\*
- 10.20 Offer letter, dated as of May 14, 2021, between Delta Air Lines, Inc. and Dan Janki (including addendum) (Filed as Exhibit 10.4 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021).\*
- 10.21 Terms of 2021 Restricted Stock Awards for Non-Employee Directors (Filed as Exhibit 10.5 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021).\*
- 21.1 Subsidiaries of the Registrant.
- 23.1 Consent of Ernst & Young LLP.
- 31.1 Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
- 31.2 Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
- 32 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act 2002.

101.INS XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.

101.SCH XBRL Taxonomy Extension Schema Document

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF XBRL Taxonomy Extension Definition Linkbase Document

101.LAB XBRL Taxonomy Extension Labels Linkbase Document

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

104 The cover page from this Annual Report on Form 10-K for the year ended December 31, 2021 formatted in Inline XBRL (included in Exhibit 101)

\* Incorporated by reference.

\*\* Portions of this exhibit have been omitted as confidential information.

#### ITEM 16. FORM 10-K SUMMARY

Not applicable.



## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 11th day of February, 2022.

DELTA AIR LINES, INC.

By: /s/ Edward H. Bastian

Edward H. Bastian

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 11th day of February, 2022 by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title
/s/ Edward H. Bastian Edward H. Bastian	Chief Executive Officer and Director (Principal Executive Officer)
/s/ Daniel C. Janki Daniel C. Janki	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ William C. Carroll William C. Carroll	Senior Vice President - Controller (Principal Accounting Officer)
/s/ Francis S. Blake Francis S. Blake	Chairman of the Board
/s/ Ashton B. Carter Ashton B. Carter	Director
/s/ David G. DeWalt David G. DeWalt	Director
/s/ William H. Easter III William H. Easter III	Director
/s/ Christopher A. Hazleton Christopher A. Hazleton	Director
/s/ Michael P. Huerta Michael P. Huerta	Director
/s/ Jeanne P. Jackson Jeanne P. Jackson	Director
/s/ George N. Mattson George N. Mattson	Director
/s/ Sergio A.L. Rial Sergio A.L. Rial	Director
/s/ David S. Taylor David S. Taylor	Director
/s/ Kathy N. Waller Kathy N. Waller	Director

## AMENDMENT NO. 2

AMENDMENT NO. 2 dated as of November 17, 2021 (this "Agreement") among Delta Air Lines, Inc., a Delaware corporation (the "Company"), JPMorgan Chase Bank, N.A. ("JPMCB"), as administrative agent (in such capacity, the "Administrative Agent") and as collateral agent (in such capacity, the "Collateral Agent") and the Lenders (as defined below) party hereto. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Amended Credit Agreement referred to below.

RECITALS:

1. The Company is party to that certain Credit Agreement dated as of April 19, 2018 (as amended by Amendment No. 1 dated as of June 29, 2020, Increase Joinder Agreement No. 1 dated as of August 5, 2020, Increase Joinder Agreement No. 2 dated as of August 30, 2021 and as amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof the "Credit Agreement") by and among the Company, the lenders from time to time party thereto (the "Lenders") and JPMCB, as administrative agent for the Lenders;

2. The Company has requested that the Credit Agreement be amended to, among other things, (a) with respect to the revolver tranche previously set to mature in 2022, provide for an extension thereof to 2024 and (b) with respect to the separate standby letter of credit tranche previously set to mature in 2022, provide for an extension thereof to 2024;

3. Now, therefore, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Amendments to Credit Agreement. Effective as of the Amendment No. 2 Effective Date (as defined below):

(a) the Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Annex A hereto (as amended, the "Amended Credit Agreement");

(b) the existing Schedule 2.01 to the Credit Agreement is hereby amended and restated in its entirety as set forth in the attached Annex B hereto (as amended, the "Commitment Amounts").

SECTION 2. Representations and Warranties. To induce the Administrative Agent to enter into this Agreement, the Company hereby represents and warrants to the Lenders and the Administrative Agent as follows:

(a) (i) the Company has the corporate power and authority to execute, deliver and perform this Agreement, (ii) the execution, delivery and performance by the Company of this Agreement have been duly authorized by all necessary corporate action of the Company and (iii) this Agreement constitutes a valid and binding agreement of the Company enforceable against the Company in accordance with its terms (subject, as to enforceability, to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and to general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity));

(b) all representations and warranties contained in the Amended Credit Agreement and the other Loan Documents (other than the representations and warranties set forth in Sections 3.04(b) and 3.06(a) of the Amended Credit Agreement) are true and correct in all material respects on and as of the date hereof with the same effect as if made on and as of such date except to the extent such representations and warranties expressly relate to an earlier date and in such case, such representations and warranties shall be true and correct in all material respects as of such date; provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects, as though made on and as of the applicable date; and

(c) as of the date hereof, no Default or Event of Default has occurred and is continuing or would result from this Agreement.

SECTION 3. Conditions Precedent to Effectiveness of the Amendment. This Agreement shall become effective as of the first date (the "Amendment No. 2 Effective Date") that the following conditions precedent are satisfied:

(a) Agreement. The Administrative Agent (or counsel thereto) shall have received an executed counterpart (which may include a facsimile or other electronic transmission) of this Agreement from (A) the Company, (B) each Lender under the 3-Year Revolving Facility (as defined in the Credit Agreement) immediately prior to the Amendment No. 2 Effective Date (each, a "3-Year Tranche Consenting Lender"), (C) each Lender under the 5-Year Revolving Facility (as defined in the Credit Agreement) immediately prior to the Amendment No. 2 Effective Date (each, a "5-Year Tranche Consenting Lender"), (D) each Lender under the LC Tranche Facility (as defined in the Credit Agreement) immediately prior to the Amendment No. 2 Effective Date (each, an "LC Tranche Consenting Lender") and (D) each Issuing Lender.

(b) Supporting Documents. The Administrative Agent and Collateral Agent (or counsel thereto) shall have received:

(i) a written opinion of Davis Polk & Wardwell LLP, special New York counsel to the Company, in a form reasonably satisfactory to the Administrative Agent;

(ii) a written opinion of David S. Cartee, Associate General Counsel for the Company, in a form reasonably satisfactory to the Administrative Agent;

(iii) a written opinion of Dorsey & Whitney LLP, special Delaware counsel to the Company, in a form reasonably satisfactory to the Administrative Agent;

(iv) a certificate of the Secretary of State of the state of the Company's incorporation, dated as of a recent date, as to the good standing of the Company and as to the charter documents on file in the office of such Secretary of State;

(v) a certificate of the Secretary or an Assistant Secretary of the Company dated the Amendment No. 2 Effective Date and certifying (a) that attached thereto is a true and complete copy of the by-laws of the Company as in effect on the date of such certification, (b) that attached thereto is a true and complete copy of resolutions adopted by the board of directors of the Company or an authorized committee thereof authorizing the Borrowings and Letter of Credit issuances hereunder and the execution, delivery and performance in accordance with their respective terms of this Agreement, the other Loan Documents and any other documents required or contemplated hereunder or thereunder, (c) that the certificate of incorporation of the Company has not been amended since the date of the last amendment thereto indicated on the certificate of the Secretary of State furnished pursuant to clause (iv) above, and (d) as to the incumbency and

specimen signature of each officer of that entity executing this Agreement and the Loan Documents or any other document delivered by it in connection herewith or therewith (such certificate to contain a certification by another officer of the Company as to the incumbency and signature of the officer signing the certificate referred to in this clause (v));

(vi) an Officer's Certificate from the Company certifying (a) as to the accuracy of the representations and warranties set forth in Section 2 hereof and (b) that the Company is in compliance, giving pro forma effect to the Revolving Extensions of Credit on the Amendment No. 2 Effective Date (if any), with the Collateral Coverage Test.

**SECTION 4. Reference to and Effect on the Credit Agreement and the other Loan Documents.**

(a) On and after the Amendment No. 2 Effective Date, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement, as amended by this Agreement. The Credit Agreement and each of the other Loan Documents, as specifically amended by this Agreement, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(b) The execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents except as expressly set forth herein. This Agreement shall for all purposes constitute a Loan Document.

**SECTION 5. Reallocation of LC Exposure.** On and after the Amendment No. 2 Effective Date, each existing LC Tranche Lender immediately prior thereto will automatically and without further act be deemed to have assigned to each of the other LC Tranche Lenders as of the Amendment No. 2 Effective Date (each an "Amendment No. 2 LC Tranche Lender"), and each Amendment No. 2 LC Tranche Lender will automatically and without further act be deemed to have assumed, a portion of such assigning LC Tranche Lender's participations under the Credit Agreement in outstanding Letters of Credit issued under the LC Tranche such that, after giving effect to this Amendment and each such deemed assignment and assumption of participations, each Amendment No. 2 LC Tranche Lender holds a percentage of the aggregate outstanding participations in Letters of Credit issued under the LC Tranche in accordance with such LC Tranche Lender's LC Tranche Commitment Percentage.

**SECTION 6. Acknowledgments.** The Company hereby acknowledges that it has read this Agreement and consents to its terms, and further hereby affirms, confirms, represents, warrants and agrees that notwithstanding the effectiveness of this Agreement, the obligations of the Company under each of the Loan Documents shall not be impaired and each of the Loan Documents is, and shall continue to be, in full force and effect and is hereby confirmed and ratified in all respects.

**SECTION 7. Costs and Expenses.** The Company hereby agrees to reimburse the Administrative Agent for its reasonable and documented out-of-pocket expenses in connection with this Agreement, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, all in accordance with the terms and conditions of Section 10.04(a) of the Credit Agreement.

**SECTION 8. Execution in Counterparts.** This Agreement may be executed in one or more counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, emailed pdf. or electronic mail that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and

the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 9. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 10. Headings. Section headings used herein are included for convenience of reference only and shall not affect the interpretation of this Agreement.

SECTION 11. Miscellaneous Provisions. The provisions of Sections 10.01, 10.03, 10.04, 10.05, 10.06, 10.09, 10.11, 10.12 and 10.14 of the Credit Agreement shall apply with like effect as to this Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**BORROWER:**

DELTA AIR LINES, INC., a Delaware corporation

By: /s/ Kenneth W. Morge II  
Name: Kenneth W. Morge II  
Title: Senior Vice President –  
Finance & Treasurer

[Signature Page to Amendment No. 2]

---

JPMORGAN CHASE BANK, N.A., as Administrative Agent and Collateral Agent

By: /s/ Cristina Caviness  
Name: Cristina Caviness  
Title: Executive Director

[Signature Page to Amendment No. 2]

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JPMORGAN CHASE BANK, N.A., as a 3-Year Tranche Consenting Lender, as a 5-Year Tranche Consenting Lender, as an LC Tranche Consenting Lender, and as Issuing Lender

By: /s/ Cristina Caviness  
Name: Cristina Caviness  
Title: Executive Director

[Signature Page to Amendment No. 2]

---

Bank of America, N.A., as a 3-Year Tranche Consenting Lender and as a 5-Year Tranche Consenting Lender

By: /s/ Prathamesh Kshirsagar  
Name: Prathamesh Kshirsagar  
Title: Director

[Signature Page to Amendment No. 2]

---

BARCLAYS BANK IRELAND PLC, as an LC Tranche Consenting Lender, and as Issuing Lender

By: /s/ Mark Pope  
Name: Mark Pope  
Title: Assistant Vice President

[Signature Page to Amendment No. 2]

---

BARCLAYS BANK PLC, as a 3-Year Tranche Consenting Lender and as a 5-Year Tranche Consenting Lender

By: /s/ Charlene Saldanha  
Name: Charlene Saldanha  
Title: Vice President

[Signature Page to Amendment No. 2]

---

BNP Paribas, as a 3-Year Tranche Consenting Lender and as a 5-Year Tranche Consenting Lender

By: /s/ Robert Papas  
Name: Robert Papas  
Title: Managing Director

By: /s/ Ahsan Avais  
Name: Ahsan Avais  
Title: Vice President

[Signature Page to Amendment No. 2]

---

Citibank, N.A., as a 3-Year Tranche Consenting Lender, as a 5-Year Tranche Consenting Lender, as an LC Tranche Consenting Lender, and as Issuing Lender

By: /s/ Michael Leonard

Name: Michael Leonard

Title: Vice President

CREDIT SUISSE AG, NEW YORK as a 3-Year Tranche Consenting Lender, as a 5-Year Tranche Consenting Lender, as an LC Tranche Consenting Lender, and as Issuing Lender

By: /s/ Doreen Barr

Name: Doreen Barr

Title: Authorized Signatory

By: /s/ Jessica Gavarkovs

Name: Jessica Gavarkovs

Title: Authorized Signatory

[Signature Page to Amendment No. 2]

---

DEUTSCHE BANK AG NEW YORK BRANCH, as a 3-Year Tranche Consenting Lender  
and as a 5-Year Tranche Consenting Lender

By: /s/ Ming K. Chu  
Name: Ming K. Chu    ming.k.chu@db.com  
Title: Director      +1-212-250-5451

By: /s/ Marko Lukin  
Name: Marko Lukin    marko.lukin@db.com  
Title: Vice President    +1-212-250-7283

[Signature Page to Amendment No. 2]

---

DEUTSCHE BANK AG New York Branch, as an LC Tranche Consenting Lender and as Issuing Lender

By: /s/ Jacopo Dominissini  
Name: Jacopo Dominissini  
Title: AVP

By: /s/ Leonardo Melham  
Name: Leonardo Melham  
Title: Director

[Signature Page to Amendment No. 2]

---



Fifth Third Bank, National Association, as a 3-Year Tranche Consenting Lender and as a 5-Year Tranche Consenting Lender

By: /s/ J. David Izard  
Name: J. David Izard  
Title: Senior Vice President

[Signature Page to Amendment No. 2]

---

Goldman Sachs Bank USA, as a 3-Year Tranche Consenting Lender and as a 5-Year Tranche Consenting Lender

By: /s/ Rebecca Kratz  
Name: Rebecca Kratz  
Title: Authorized Signatory

[Signature Page to Amendment No. 2]

---

Morgan Stanley Senior Funding, Inc. as a 3-Year Tranche Consenting Lender

By: /s/ Michael King  
Name: Michael King  
Title: Vice President

Morgan Stanley Bank, N.A. as a 5-Year Tranche Consenting Lender

By: /s/ Michael King  
Name: Michael King  
Title: Authorized Signatory

[Signature Page to Amendment No. 2]

---

MUFG Bank, Ltd. as a 3-Year Tranche Consenting Lender and as a 5-Year Tranche Consenting Lender

By: /s/ Gordon R. Cook  
Name: Gordon R. Cook  
Title: Director

[Signature Page to Amendment No. 2]

---

PNC BANK, NATIONAL ASSOCIATION as a 3-Year Tranche Consenting Lender and as a 5-Year Tranche Consenting Lender

By: /s/ Bunny Dalbec  
Name: Bunny Dalbec  
Title: Senior Vice President

[Signature Page to Amendment No. 2]

---

STANDARD CHARTERED BANK, as a 3-Year Tranche Consenting Lender, as a 5-Year Tranche Consenting Lender, as an LC Tranche Consenting Lender, and as Issuing Lender

By: /s/ Kristopher Tracy  
Name: Kristopher Tracy  
Title: Director, Financing Solutions

[Signature Page to Amendment No. 2]

---

Sumitomo Mitsui Banking Corporation, as a 3-Year Tranche Consenting Lender, as a 5-Year Tranche Consenting Lender, and as Issuing Lender

By: /s/ Bernard De Meo  
Name: Bernard De Meo  
Title: Director

[Signature Page to Amendment No. 2]

---

U.S. BANK NATIONAL ASSOCIATION, as a 3-Year Tranche Consenting Lender and as a 5-Year Tranche Consenting Lender

By: /s/ Steven L. Sawyer  
Name: Steven L. Sawyer  
Title: Senior Vice President

[Signature Page to Amendment No. 2]

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WELLS FARGO BANK, N.A., as a 3-Year Tranche Consenting Lender and as a 5-Year Tranche Consenting Lender

By: /s/ Adam Spreyer  
Name: Adam Spreyer  
Title: Director

[Signature Page to Amendment No. 2]

---

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as a 3-Year Tranche  
Consenting Lender, as a 5-Year Tranche Consenting Lender, as an LC Tranche Consenting  
Lender, and as Issuing Lender

By: /s/ Brian Bolotin  
Name: Brian Bolotin  
Title: Managing Director

By: /s/ Thomas Jean  
Name: Thomas Jean  
Title: Managing Director

Natixis, New York Branch, as a 3-Year Tranche Consenting Lender, as a 5-Year Tranche Consenting Lender, as an LC Tranche Consenting Lender, and as Issuing Lender

By: /s/ Benoist de Vimal  
Name: Benoist de Vimal  
Title: Executive Director

By: /s/ Yevgeniya Levitin  
Name: Yevgeniya Levitin  
Title: Managing Director

[Signature Page to Amendment No. 2]

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INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, NEW YORK  
BRANCH, as a 5-Year Tranche Consenting Lender

By: /s/ Chan K. Park  
Name: Chan K. Park  
Title: Executive Director

By: /s/ Peichen Chen  
Name: Peichen Chen  
Title: Vice President

[Signature Page to Amendment No. 2]

---

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD., SILICON VALLEY  
BRANCH, as a 5-Year Tranche Consenting Lender

By: /s/ Szu Yao Huang  
Name: Szu Yao Huang  
Title: VP & General Manager

[Signature Page to Amendment No. 2]

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Amended Credit Agreement

[See attached.]



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CREDIT AGREEMENT

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Among

DELTA AIR LINES, INC.,  
as Borrower,  
and  
THE LENDERS PARTY HERETO,  
and  
JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent

BARCLAYS BANK PLC,  
BNP PARIBAS,  
~~CITIGROUP GLOBAL MARKETS INC~~CITIBANK, N.A.,  
COMPASS BANK,  
CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,  
DEUTSCHE BANK SECURITIES INC.,  
FIFTH THIRD BANK, NATIONAL ASSOCIATION  
GOLDMAN SACHS BANK USA,  
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, NEW YORK BRANCH,  
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,  
MORGAN STANLEY SENIOR FUNDING, INC.,  
PNC BANK, NATIONAL ASSOCIATION,  
STANDARD CHARTERED BANK,  
SUMITOMO MITSUI BANKING CORPORATION,  
U.S. BANK NATIONAL ASSOCIATION  
and  
WELLS FARGO BANK, N.A.,  
as Co-Syndication Agents,  
and

JPMORGAN CHASE BANK, N.A.,  
BARCLAYS BANK PLC,  
BNP PARIBAS,  
~~CITIGROUP GLOBAL MARKETS INC~~CITIBANK, N.A.,  
COMPASS BANK,  
CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,  
DEUTSCHE BANK SECURITIES INC.,  
FIFTH THIRD BANK, NATIONAL ASSOCIATION,  
GOLDMAN SACHS BANK USA,  
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, NEW YORK BRANCH,  
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,  
MORGAN STANLEY SENIOR FUNDING, INC.,  
PNC CAPITAL MARKETS LLC,  
STANDARD CHARTERED BANK,  
SUMITOMO MITSUI BANKING CORPORATION,  
U.S. BANK NATIONAL ASSOCIATION,  
WELLS FARGO BANK, N.A.,  
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK  
and  
NATIXIS, NEW YORK BRANCH,  
as Joint Lead Arrangers and Joint Bookrunners

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Dated as of April 19, 2018

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CREDIT AGREEMENT  
Dated as of April 19, 2018

CREDIT AGREEMENT, dated as of April 19, 2018, among DELTA AIR LINES, INC., a Delaware corporation (the "Borrower"), each of the several banks and other financial institutions or entities from time to time party hereto (the "Lenders") and JPMORGAN CHASE BANK, N.A. ("JPMCB"), as administrative agent for the Lenders (together with its permitted successors in such capacity, the "Administrative Agent") and as collateral agent for the Secured Parties (together with its permitted successors in such capacity, the "Collateral Agent").

INTRODUCTORY STATEMENT

As of the Closing Date, the Borrower has applied to the Lenders for a revolving loan facility in an aggregate principal amount (or Dollar Amount, in the case of LC Exposure) of \$2,650,000,000 as set forth herein consisting of (a) a three-year tranche in an aggregate principal amount of \$1,325,000,000 and (b) a five-year tranche in an aggregate principal amount of \$1,325,000,000.

As of the Amendment No. 1 Effective Date, the Borrower has applied to the Lenders for a separate standby letter of credit tranche in an aggregate principal amount of \$216,078,361.60 and to provide security for the repayment of the Revolving Loans and the payment of the other Obligations of the Borrower hereunder and under the other Loan Documents, the Borrower will, among other things, provide to the Collateral Agent, for the benefit of the Secured Parties, a security interest in the Collateral pursuant to the SGR Security Agreement.

As of the Amendment No. 2 Effective Date, the Borrower has applied to the Lenders (a) with respect to the revolver tranche previously set to mature in 2022, for an extension thereof to 2024 and (b) with respect to the separate standby letter of credit tranche previously set to mature in 2022, for an extension thereof to 2024.

The proceeds of the Revolving Loans will be used for working capital and other general corporate purposes of the Borrower and its Subsidiaries.

Accordingly, the parties hereto hereby agree as follows:

SECTION 1.  
DEFINITIONS

SECTION 1.01. Defined Terms.

~~"3-Year Consenting Revolving Commitments" shall mean the 3-Year Revolving Commitments of the 3-Year Consenting Lenders, as defined in the Amendment No. 1.~~

"3-Year~~2023~~ LC Sublimit" shall mean \$250,000,000.

~~"3-Year Non-Consenting Revolving Commitments" shall mean the 3-Year Revolving Commitments of the 3-Year Lenders that are not 3-Year Consenting Lenders.~~

"3-Year~~2023~~ Revolving Commitment" shall mean the commitment of each Lender to make Revolving Loans under the ~~3-Year~~~~2023~~ Revolving Facility and participate in Letters of Credit in respect of the ~~3-Year~~~~2023~~ Revolving Facility hereunder in an aggregate principal and/or face amount not

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to exceed the amount set forth under the heading “3-Year2023 Revolving Commitment” opposite its name on Schedule 2.01 hereto or in the Assignment and Acceptance pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. As the context may require and to the extent contemplated by the relevant amendment establishing any other Class of revolving commitments hereunder, 3-Year2023 Revolving Commitment shall include such other Class of revolving commitments.

“3-Year2023 Revolving Commitment Percentage” shall mean, at any time, with respect to each Lender, the percentage obtained by dividing its 3-Year2023 Revolving Commitment at such time by the Total 3-Year2023 Revolving Commitment or, if the 3-Year2023 Revolving Commitments have been terminated, the 3-Year2023 Revolving Commitment Percentage of such Lender that existed immediately prior to such termination.

“3-Year2023 Revolving Extensions of Credit” shall mean, as to any Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all 3-Year2023 Revolving Loans held by such Lender then outstanding and (b) such Lender’s 3-Year2023 Revolving Commitment Percentage of the LC Exposure with respect to the 3-Year2023 Revolving Facility then outstanding.

“3-Year2023 Revolving Facility” shall have the meaning set forth in clause (ac) of the definition of “Revolving Facility” in this Section 1.01.

“3-Year2023 Revolving Facility Maturity Date” shall mean (a) ~~as of the Amendment No. 1 Effective Date~~, with respect to (i) ~~3-Year Non-Consenting2023 Revolving Commitments that have not been extended pursuant to Section 2.29(a), April 19, 2021~~ and (ii) ~~3-Year Consenting Revolving Commitments that have not been extended pursuant to Section 2.29(a), April 19, 2022~~ 2023, (b) with respect to Extended Revolving Credit Commitments under the 3-Year2023 Revolving Facility, the final maturity date therefor as specified in the applicable Extension Agreement, and (c) with respect to any commitments under a Refinancing Revolving Facility with respect to the 3-Year2023 Revolving Facility, the final maturity date therefor specified in the applicable Refinancing Amendment.

“3-Year2023 Revolving Facility Termination Date” shall mean the earlier to occur of (a) the 3-Year2023 Revolving Facility Maturity Date with respect to the applicable Revolving Commitments and (b) the date of any acceleration of the 3-Year2023 Revolving Loans and termination of the 3-Year2023 Revolving Commitments in accordance with the terms hereof.

“3-Year2023 Revolving Loan” has the meaning set forth in Section 2.01(a). As the context may require and to the extent contemplated by the relevant amendment establishing any other Class of revolving commitments hereunder, 3-Year2023 Revolving Loans shall include loans issued pursuant to such other Class of revolving commitments.

“3-Year2023 Upfront Fee” shall have the meaning set forth in Section 2.20(b).

“5-Year2024 LC Sublimit” shall mean \$250,000,000.

“5-Year2024 Revolving Commitment” shall mean the commitment of each Lender to make Revolving Loans under the 5-Year2024 Revolving Facility and participate in Letters of Credit in respect of the 5-Year2024 Revolving Facility hereunder in an aggregate principal and/or face amount not to exceed the amount set forth under the heading “5-Year2024 Revolving Commitment” opposite its name on Schedule 2.01 hereto or in the Assignment and Acceptance pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. As the context may require and to the extent contemplated by the relevant amendment establishing any other

Class of revolving commitments hereunder, ~~5-Year2024~~ Revolving Commitment shall include such other Class of revolving commitments.

“~~5-Year2024~~ Revolving Commitment Percentage” shall mean, at any time, with respect to each Lender, the percentage obtained by dividing its ~~5-Year2024~~ Revolving Commitment at such time by the Total ~~5-Year2024~~ Revolving Commitment or, if the ~~5-Year2024~~ Revolving Commitments have been terminated, the ~~5-Year2024~~ Revolving Commitment Percentage of such Lender that existed immediately prior to such termination.

“~~5-Year2024~~ Revolving Extensions of Credit” shall mean, as to any Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all ~~5-Year2024~~ Revolving Loans held by such Lender then outstanding and (b) such Lender’s ~~5-Year2024~~ Revolving Commitment Percentage of the LC Exposure with respect to the ~~5-Year2024~~ Revolving Facility then outstanding.

“~~5-Year2024~~ Revolving Facility” shall have the meaning set forth in clause (b) of the definition of “Revolving Facility” in this Section 1.01.

“~~5-Year2024~~ Revolving Facility Maturity Date” shall mean (a) ~~as of the Amendment No. 2 Effective Date~~, with respect to ~~5-Year2024~~ Revolving ~~Commitments~~Commitment that have not been extended pursuant to Section 2.29(a), April 19, ~~2023~~2024, (b) with respect to Extended Revolving Credit Commitments under the ~~5-Year2024~~ Revolving Facility, the final maturity date therefor as specified in the applicable Extension Agreement; and (c) with respect to any commitments under a Refinancing Revolving Facility with respect to the ~~5-Year2024~~ Revolving Facility, the final maturity date therefor specified in the applicable Refinancing Amendment.

“~~5-Year2024~~ Revolving Facility Termination Date” shall mean the earlier to occur of (a) the ~~5-Year2024~~ Revolving Facility Maturity Date with respect to the applicable Revolving Commitments and (b) the date of any acceleration of the ~~5-Year2024~~ Revolving Loans and termination of the ~~5-Year2024~~ Revolving Commitments in accordance with the terms hereof.

“~~5-Year2024~~ Revolving Loan” has the meaning set forth in Section 2.01(a). As the context may require and to the extent contemplated by the relevant amendment establishing any other Class of revolving commitments hereunder, ~~5-Year2024~~ Revolving Loans shall include loans issued pursuant to such other Class of revolving commitments.

“~~5-Year2024~~ Upfront Fee” shall have the meaning set forth in Section 2.20(b).

“ABR”, when used in reference to any Revolving Loan or Borrowing, refers to whether such Revolving Loan, or the Revolving Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Additional Collateral” shall mean (a) Routes, Gate Interests and/or Slots of the Borrower or any Subsidiary, (b) Aircraft, airframes, engines, spare engines and Spare Parts of the Borrower or any Subsidiary and (c) other assets of the Borrower or any Subsidiary which shall be reasonably satisfactory to the Administrative Agent, in each case designated by the Borrower as “Additional Collateral”, and all of which assets shall be valued by a new Appraisal Report at the time the Borrower designates such assets as Additional Collateral.

“Administrative Agent” shall have the meaning set forth in the first paragraph of this Agreement.



"Administrator" shall have the meaning given to such term in the Regulations and Procedures for the International Registry.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" shall mean, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, a Person (a "Controlled Person") shall be deemed to be "controlled by" another Person (a "Controlling Person") if the Controlling Person possesses, directly or indirectly, power to direct or cause the direction of the management and policies of the Controlled Person whether by contract or otherwise; provided that the PBGC shall not be an Affiliate of the Borrower.

"Agents" shall mean the Administrative Agent, the Collateral Agent, the Co-Syndication Agents and the Arrangers.

"Aggregate Exposure" shall mean, with respect to any Lender at any time, an amount equal to the amount of such Lender's Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender's Revolving Extensions of Credit then outstanding.

"Aggregate Exposure Percentage" shall mean, with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

"Agreement" shall mean this Credit Agreement, as the same may be amended, restated, modified, supplemented, extended or amended and restated from time to time.

"Aircraft" shall have the meaning set forth in the Aircraft Mortgage.

"Aircraft Collateral" shall mean all of the "Collateral" as defined in the Aircraft Mortgage (including any Mortgage Supplement).

"Aircraft Mortgage" shall mean an Aircraft Mortgage made by the Borrower in favor of the Collateral Agent for the benefit of the Secured Parties (including each mortgage supplement thereto), substantially in the form attached as Exhibit E.

"Aircraft Protocol" shall mean the official English language text of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements and revisions thereto (and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Aircraft Protocol with respect to that country, the Aircraft Protocol as in effect in such country, unless otherwise indicated).

"Airport Authority" shall mean any city or any public or private board or other body or organization chartered or otherwise established for the purpose of administering, operating or managing airports or related facilities, which in each case is an owner, administrator, operator or manager of one or more airports or related facilities.

"Alternate Base Rate" shall mean, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c)

the sum of the one-month LIBO Rate in effect on such day (or, if such day is not a Business Day, the immediately preceding Business Day) plus 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the one-month LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the one-month LIBO Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.09 hereof, then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as so determined would be less than 2.00%, such rate shall be deemed to be 2.00% for purposes of this Agreement.

“Alternative Currency” shall mean (a) Euros and (b) any currency other than Dollars or Euros in which the applicable Issuing Lender is willing to issue a Letter of Credit.

“Amendment No. 1” shall mean Amendment No. 1, dated as of June 29, 2020, among the Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent and as Collateral Agent and the Lenders and Issuing Lenders party thereto.

“Amendment No. 1 Appraisal Report” shall mean the Appraisal Report, dated April 1, 2020, by mba Aviation.

“Amendment No. 1 Effective Date” shall mean June 29, 2020.

“Amendment No. 2 Effective Date” shall mean November 17, 2021.

“Appliance” shall mean an instrument, equipment, apparatus, a part, an appurtenance, or an accessory used, capable of being used, or intended to be used, in operating or controlling aircraft in flight, including a parachute, communication equipment, and another mechanism installed in or attached to aircraft during flight, and not a part of an aircraft, engine, or propeller (and shall include without limitation “appliances” as defined in 49 U.S.C. § 40102(a)(11)).

“Applicable Appraisal Discount Rate” shall mean, on the date of any valuation of Routes done in connection with an Appraisal Report, 9.0%.

“Applicable Margin” shall mean the rate per annum determined pursuant to the Applicable Pricing Grid.

“Applicable Pricing Grid” shall mean the table set forth below:

Level	Moody's/S&P/Fitch Ratings	Commitment Fee Rate	Applicable Margin for Eurodollar Revolving Loans	Applicable Margin for ABR Revolving Loans
I	Baa1/BBB+/BBB+ or better	25.00 bps	1.75%	0.75%
II	Baa2/BBB/BBB	30.00 bps	2.00%	1.00%
III	Baa3/BBB-/BBB-	35.00 bps	2.50%	1.50%
IV	Ba1/BB+/BB+	40.00 bps	2.75%	1.75%
V	Ba2/BB/BB	50.00 bps	3.00%	2.00%
VI	Ba3/BB-/BB- or worse	62.50 bps	3.25%	2.25%

For the purposes of the foregoing, (a) if the Borrower shall not maintain a public Rating from at least two (2) Rating Agencies, the Rating shall be deemed to be (i) Level VI, if the Borrower has no

public Rating and (ii) one (1) level lower than the Borrower's public Rating, if the Borrower has one (1) public Rating, (b) if the Borrower shall maintain a public Rating from only two (2) Rating Agencies, then the higher of such Ratings shall apply, unless there is a split in Ratings of more than one (1) ratings level, in which case the Rating that is one (1) level lower than the higher of the Borrower's two (2) Ratings shall apply, (c) if the Borrower shall maintain a public Rating from all three (3) Rating Agencies, (i) if two (2) Ratings are equivalent and the third Rating is lower, the higher Rating shall apply, (ii) if two (2) Ratings are equivalent and the third Rating is higher, the lower Rating shall apply and (iii) if no Ratings are equivalent, the Rating that is neither the highest nor the lowest Rating shall apply; provided that if the Ratings established by any Rating Agency shall be changed (other than as a result of a change in the rating system of such Rating Agency), such change shall be effective as of the date on which it is first announced by the applicable Rating Agency. Each change in the Applicable Margin and/or Commitment Fee shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change.

"Applicable Terminal Value Growth Rate" shall mean, with respect to Pacific Routes, 2.5%.

"Appraisal Report" shall mean (a) the Initial Appraisal Report, (b) the Amendment No. 1 Appraisal Report and (c) any other appraisal prepared by an Appraiser, in form and substance reasonably satisfactory to the Administrative Agent, which certifies, at the time of determination, the Appraised Value of the Appraised Collateral described therein.

"Appraised Collateral" shall mean Collateral included in an Appraisal Report.

"Appraised Value" shall mean, as of any date of determination, (a) in the case of Appraised Collateral, the fair market value thereof as reflected in the most recent Appraisal Report obtained in respect of such Collateral in accordance with this Agreement (in the case of any Routes, utilizing the Applicable Appraisal Discount Rate and the Applicable Terminal Value Growth Rate) and (b) 160% of the amount of cash and Cash Equivalents pledged at such time as Collateral, and (c) in the case of Investment Property (if any), (i) to the extent listed on a national security exchange, the market value thereof and (ii) otherwise, the book value thereof as reflected in the most recent Officer's Certificate delivered pursuant to Section 5.01(f).

"Appraisers" shall mean, (a) mba Aviation, (b) BK Associates, Inc., (c) ICF International and (d) such other appraisal firm or firms as may be retained by the Administrative Agent and the Borrower from time to time.

"ARB Indebtedness" shall mean, with respect to the Borrower or any of its Subsidiaries, without duplication, all Indebtedness or obligations of the Borrower or such Subsidiary created or arising with respect to any limited recourse revenue bonds issued for the purpose of financing or refinancing improvements to, or the construction or acquisition of, airport and other related facilities and equipment, the use or construction of which qualifies and renders interest on such bonds exempt from certain federal or state taxes.

"Arrangers" shall mean JPMorgan Chase Bank, N.A., Barclays Bank PLC, BNP Paribas, ~~Citigroup Global Markets~~, ~~the Citibank, N.A.~~, Compass Bank, Credit Suisse AG, Cayman Islands Branch, Deutsche Bank Securities Inc., Fifth Third Bank, National Association, Goldman Sachs Bank USA, Industrial and Commercial Bank Of China Limited, New York Branch, Merrill Lynch, Pierce, Fenner & Smith Incorporated (or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation's or any of its subsidiaries' investment banking, commercial lending services or related businesses may be transferred following the date of this

Agreement), Morgan Stanley Senior Funding, Inc., PNC Capital Markets LLC, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, U.S. Bank National Association, Wells Fargo Bank, N.A., Credit Agricole Corporate and Investment Bank and Natixis, New York Branch, in their capacity as joint lead arrangers and joint bookrunners with respect to the Revolving Facility.

“Assignment” shall have the meaning given in the Cape Town Convention.

“Assignment and Acceptance” shall mean an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.02), and accepted by the Administrative Agent, substantially in the form of Exhibit B.

“Associated Rights” shall have the meaning given in the Cape Town Convention.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 2.09(f).

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bankruptcy Code” shall mean The Bankruptcy Reform Act of 1978, as heretofore and hereafter amended, and codified as 11 U.S.C. Section 101 et seq.

“Bankruptcy Event” shall mean, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Benchmark” means, initially, LIBO Rate; provided that if a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related

Benchmark Replacement Date have occurred with respect to LIBO Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) or clause (c) of Section 2.09.

"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) the sum of: (a) Term SOFR and (b) 0.11448% (11.448 basis points) for an Available Tenor of one-month's duration, 0.26161% (26.161 basis points) for an Available Tenor of three-months' duration, 0.42826% (42.826 basis points) for an Available Tenor of six-months' duration, and 0.71513% (71.513 basis points) for an Available Tenor of twelve-months' duration;

(2) the sum of: (a) Daily Simple SOFR and (b) 0.11448% (11.448 basis points), if the Borrower selects a monthly payment period and 0.26161% (26.161 basis points), if the Borrower selects a quarterly payment period;

(3) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for dollar-denominated syndicated credit facilities at such time in the United States and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; provided further that, in the case of clause (3), when such clause is used to determine the Benchmark Replacement in connection with the occurrence of an Other Benchmark Rate Election, the alternate benchmark rate selected by the Administrative Agent and the Borrower shall be the term benchmark rate that is used in lieu of a LIBOR-based rate for Dollar-denominated syndicated credit facilities; provided further that, notwithstanding anything to the contrary in this Agreement or in any other Loan Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, on the applicable Benchmark Replacement Date the "Benchmark Replacement" shall revert to and shall be deemed to be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1) of this definition (subject to the first proviso above).

If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than 1.00%, the Benchmark Replacement will be deemed to be 1.00% for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of "Benchmark Replacement," the applicable spread adjustment set forth therein; and

(2) for purposes of clause (3) of the definition of "Benchmark Replacement," the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or

negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides in consultation with the Borrower may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines in consultation with the Borrower that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides in consultation with the Borrower is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Replacement Date" means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such;

(3) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the date a Term SOFR Notice is provided to the Lenders and the Borrower pursuant to Section 2.09(c); or

(4) in the case of an Early Opt-in Election or an Other Benchmark Rate Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election or Other Benchmark Rate Election, as applicable, is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election or Other Benchmark Rate Election, as applicable, is provided to the Lenders, written notice of objection to such Early Opt-in Election or Other Benchmark Rate Election, as applicable, from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.09 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.09.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

“Board” shall mean the Board of Governors of the Federal Reserve System of the United States.

“Borrower” shall have the meaning set forth in the first paragraph of this Agreement.

“Borrowing” shall mean the incurrence, conversion or continuation of Revolving Loans of a single Type made from all the Lenders of any Class on a single date and having, in the case of Eurodollar Revolving Loans, a single Interest Period.

“Borrowing Request” shall mean a request by the Borrower, executed by a Responsible Officer of the Borrower, for a Borrowing in accordance with Section 2.03.

“Business Day” shall mean any day other than a Saturday, Sunday or other day on which commercial banks in New York City are required or authorized to remain closed (and, for a Letter of Credit, other than a day on which the Issuing Lender issuing such Letter of Credit is closed); provided, however, that when used in connection with a Eurodollar Revolving Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in Dollar deposits on the London interbank market.

“Cape Town Convention” shall mean the official English language text of the Convention on International Interests in Mobile Equipment, adopted on November 16, 2001 at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements and revisions thereto (and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Cape Town Convention with respect to that country, the Cape Town Convention as in effect in such country, unless otherwise indicated).

“Cape Town Treaty” shall mean, collectively, (a) the Cape Town Convention, (b) the Aircraft Protocol, and from and after the effective date of the Cape Town Treaty in the relevant country, shall mean when referring to the Cape Town Treaty with respect to that country, the Cape Town Treaty as in effect in such country, unless otherwise indicated, and (c) all rules and regulations (including but not limited to the Regulations and Procedures for the International Registry) adopted pursuant thereto and, in the case of each of the foregoing described in clauses (a) through (c), all amendments, supplements and revisions thereto.

“Capital Asset Sale” shall have the meaning given to such term in the definition of “EBITDAR” in this Section 1.01.

“Capitalized Lease” shall mean, as applied to any Person, any lease of property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP (as in effect on the Closing Date). The amount of obligations of such Person under a Capitalized Lease shall be the capitalized amount thereof determined in accordance with GAAP (as in effect on the Closing Date).

“Cash Collateralization” shall have the meaning given such term in Section 2.02(j).

“Cash Equivalents” means:

(1) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the federal government of the United States (or by any agency or instrumentality thereof to the extent such obligations are backed by the full faith and credit of the United States), in each case maturing within one year from the date of acquisition thereof;



(2) direct obligations of state, provincial and local government entities, in each case maturing within one year from the date of acquisition thereof, which have, at the date of such acquisition, a rating of at least A- (or the equivalent thereof) from S&P or A-3 (or the equivalent thereof) from Moody's;

(3) obligations of domestic or foreign companies and their subsidiaries, including, without limitation, bills, notes, bonds, debentures, and mortgage-backed securities, in each case maturing within one year from the date of acquisition thereof and which have, at the date of such acquisition, a rating of at least A- (or the equivalent thereof) from S&P or A-3 (or the equivalent thereof) from Moody's;

(4) commercial paper maturing within 365 days from the date of acquisition thereof and having, at such date of acquisition, a rating of at least A-2 (or the equivalent thereof) from S&P or P-2 (or the equivalent thereof) from Moody's;

(5) certificates of deposit, banker's acceptances, banker's discount notes, time deposits, US Dollar time deposits or overnight bank deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any other commercial bank of recognized standing organized under the laws of the United States or any state thereof or the District of Columbia that has a combined capital and surplus and undivided profits of not less than \$100,000,000;

(6) fully collateralized repurchase agreements with a term of not more than six months for underlying securities that would otherwise be eligible for investment;

(7) Investments in money in an investment company organized under the 40 Act, or in pooled accounts or funds offered through mutual funds, investment advisors, banks and brokerage houses which invest 95% of their assets in obligations of the type described in clauses (1) through (6) above, including money market funds or short-term and intermediate bonds funds;

(8) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the 40 Act or with the criteria set forth in National Instrument 81-102—Mutual Funds, as amended, (ii) are rated AAA (or the equivalent thereof) by S&P or Aaa (or the equivalent thereof) by Moody's and (iii) have portfolio assets of at least \$500,000,000;

(9) deposits available for withdrawal on demand with commercial banks organized in the United States having capital and surplus in excess of \$100,000,000;

(10) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A- by S&P or A3 by Moody's; and

(11) any other securities or pools of securities that are classified under GAAP as cash equivalents or short-term investments on a balance sheet.

"Change in Law" shall mean, after the date hereof, (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law (including pursuant to any treaty or, for purposes of Section 5.09, any other agreement governing the right to fly international routes), rule or regulation or in the interpretation or application thereof by any Governmental Authority, Airport

Authority or Foreign Aviation Authority after the date of this Agreement applicable to the Borrower or (c) compliance by any Lender or Issuing Lender (or, for purposes of Section 2.14(b), by any lending office of such Lender or Issuing Lender or by such Lender's or Issuing Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, requirements, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, regulations, requirements, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law" regardless of the date enacted, adopted, implemented or issued.

"Class", when used in reference to any Revolving Loan or Borrowing, shall refer to whether such Revolving Loan, or the Revolving Loans comprising such Borrowing, are ~~3-Year~~2024 Revolving Loans or ~~5-Year~~2023 Revolving Loans and, when used in reference to any Revolving Commitment, refers to whether such Revolving Commitment is an LC Tranche Commitment, a ~~3-Year~~2024 Revolving Commitment or a ~~5-Year~~2023 Revolving Commitment. In addition, as the context requires, any extended tranche of Revolving Commitments shall constitute a Class of Revolving Loans (or LC Tranche Commitments, as applicable) separate from the Class of Revolving Loans (or LC Tranche Commitments, as applicable) from which they were converted.

"Closing Date" shall mean the date on which this Agreement has been executed and the conditions precedent to the effectiveness of this Agreement set forth in Section 4.01 have been satisfied or waived.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Commitment Fee" shall have the meaning set forth in Section 2.20(a).

"Commitment Fee Rate" shall mean the rate per annum set forth under the heading "Commitment Fee Rate" on the Applicable Pricing Grid.

"Collateral" shall mean, collectively, all assets and properties of the Borrower now owned or hereafter acquired upon which Liens have been granted to the Collateral Agent to secure the Obligations, including without limitation all of the "Collateral" as defined in the SGR Security Agreement and the Aircraft Mortgage.

"Collateral Agent" shall have the meaning set forth in the first paragraph of this Agreement.

"Collateral Coverage Ratio" shall have the meaning given to such term in Section 6.03.

"Collateral Coverage Ratio Cure Period" shall have the meaning given to such term in Section 6.03.

"Collateral Coverage Test" shall have the meaning given to such term in Section 6.03.

"Collateral Documents" shall mean, collectively, the SGR Security Agreement, the Aircraft Mortgage and other agreements, instruments or documents that create or purport to create a Lien in favor of the Collateral Agent for the benefit of the Secured Parties.

“Collateral Material Adverse Effect” shall mean a material adverse effect on the Appraised Value of the Collateral, taken as a whole, or the Eligible Collateral, taken as a whole.

“Consolidated Net Income” shall mean, with respect to any specified Person for any period, the aggregate of the net income (or net loss) of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP and without any reduction in respect of preferred stock dividends; provided that: (a) all extraordinary gains (but not losses) and all gains (but not losses) realized in connection with any Capital Asset Sale or the disposition of securities or the early extinguishment of Indebtedness, together with any related provision for taxes on any such gain, will be excluded therefrom; (b) the net income (but not net loss) of any Person that is not the specified Person or a Subsidiary or that is accounted for by the equity method of accounting will be included therein only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or Subsidiary of the Person; (c) the net income (but not net loss) of any Subsidiary will be excluded therefrom to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary or its stockholders; (d) the cumulative effect of a change in accounting principles will be excluded therefrom; and (e) the effect of non-cash gains and losses attributable to movement in the mark-to-market valuation of Hedging Obligations pursuant to FASB ASC No. 815 will be excluded therefrom.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Co-Syndication Agents” shall mean Barclays Bank PLC, BNP Paribas, ~~Citigroup Global Markets Inc~~ Citibank, N.A., Compass Bank, Credit Suisse AG, Cayman Islands Branch, Deutsche Bank Securities Inc., Fifth Third Bank, National Association, Goldman Sachs Bank USA, Industrial and Commercial Bank Of China Limited, New York Branch, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley Senior Funding, Inc., PNC Bank, National Association, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, U.S. Bank National Association and Wells Fargo Bank, N.A., in their capacity as co-syndication agents with respect to this Agreement.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which may include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“Default” shall mean any event that, unless cured or waived, with the passage of time or the giving of notice or both, would be an Event of Default.

“Defaulting Lender” shall mean, at any time, any Lender that (a) has failed, within one (1) Business Day of the date required to be funded or paid by it hereunder, to fund or pay (x) any portion of the Revolving Loans, (y) any portion of the participations in any Letter of Credit required to be funded hereunder or (z) any other amount required to be paid by it hereunder to the Administrative Agent, any Issuing Lender or any other Lender (or its banking Affiliates), unless, in the case of clause (x) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower, the Administrative Agent,

any Issuing Lender or any other Lender in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations (i) under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or (ii) generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by the Administrative Agent, any Issuing Lender, any other Lender or the Borrower, acting in good faith, to provide a confirmation in writing from an authorized officer or other authorized representative of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Revolving Loans and participations in then outstanding Letters of Credit under this Agreement, which request shall only have been made after the conditions precedent to borrowings have been met, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent's, such Issuing Lender's, such other Lender's or the Borrower's, as applicable, receipt of such confirmation in form and substance satisfactory to it and the Administrative Agent, (d) has become, or has had its Parent Company become, the subject of a Bankruptcy Event or a Bail-In Action. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any of clauses (a) through (d) above will be conclusive and binding absent manifest error, and such Lender will be deemed to be a Defaulting Lender upon notification of such determination by the Administrative Agent to the Borrower, the Issuing Lender and the Lenders.

"Designated Banking Product Agreement" shall mean any agreement evidencing Designated Banking Product Obligations entered into by the Borrower or any Subsidiary and any Person that, at the time such Person entered into such agreement, was a Lender or a banking Affiliate of a Lender, in each case designated by the relevant Lender (or its banking Affiliate) and the Borrower, by written notice to the Administrative Agent, as a "Designated Banking Product Agreement", which notice shall include (i) a copy of an agreement providing for an agreed-upon maximum amount of Designated Banking Product Obligations under such Designated Banking Product Agreement that can be included as Obligations and (ii) the acknowledgment of such Lender (or its banking Affiliate) that its security interest in the Collateral securing such Designated Banking Product Obligations shall be subject to the Loan Documents; provided that, after giving effect to such designation, the aggregate agreed-upon maximum amount of all "Designated Banking Product Obligations" included as Obligations, together with the aggregate agreed-upon maximum amount of all "Designated Hedging Obligations" included as Obligations, shall not exceed \$500,000,000 in the aggregate.

"Designated Banking Product Obligations" shall mean, as applied to any Person, any direct or indirect liability, contingent or otherwise, of such Person in respect of any treasury, depository and cash management services and automated clearing house transfers of funds services provided by a Lender or any of its banking Affiliates under any Designated Banking Product Agreement, including obligations for the payment of fees, interest, charges, expenses, attorneys' fees and disbursements in connection therewith.

"Designated Hedging Agreement" shall mean any Hedging Agreement entered into by the Borrower or any Subsidiary and any Person that, at the time such Person entered into such Hedging Agreement, was a Lender or an Affiliate of a Lender, in each case, as designated by the relevant Lender (or Affiliate of a Lender) and the Borrower, by written notice to the Administrative Agent, as a "Designated Hedging Agreement," which notice shall include a copy of an agreement providing for (i) a methodology agreed to by the Borrower, such Lender or Affiliate of a Lender, and the Administrative Agent for reporting the outstanding amount of Designated Hedging Obligations under such Designated Hedging Agreement from time to time, (ii) an agreed-upon maximum amount of Designated Hedging Obligations under such Designated Hedging Agreement that can be included as Obligations, and (iii) the acknowledgment of such Lender or Affiliate of a Lender that its security interest in the Collateral securing

such Designated Hedging Obligations shall be subject to the Loan Documents; provided that, after giving effect to such designation, the aggregate agreed-upon maximum amount of all "Designated Hedging Obligations" included as Obligations, together with the aggregate agreed-upon maximum amount of all "Designated Banking Product Obligations" included as Obligations, shall not exceed \$500,000,000 in the aggregate.

"Designated Hedging Obligations" shall mean, as applied to any Person, all Hedging Obligations of such Person under Designated Hedging Agreements after taking into account the effect of any legally enforceable netting arrangements included in such Designated Hedging Agreements; it being understood and agreed that, on any date of determination, the amount of such Hedging Obligations under any Designated Hedging Agreement shall be determined based upon the "settlement amount" (or similar term) as defined under such Designated Hedging Agreement or, with respect to a Designated Hedging Agreement that has been terminated in accordance with its terms, the amount then due and payable (exclusive of expenses and similar payments but including any termination payments then due and payable) by such Person under such Designated Hedging Agreement.

"Discharge of Secured Obligations" shall have the meaning given such term in the SGR Security Agreement.

"Disposition" shall mean, with respect to any property, any sale, lease, sale and leaseback, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Disqualified Institution" shall mean any Person (a) identified in writing to the Administrative Agent from time to time that is or becomes (i) a competitor of the Borrower or any of its Subsidiaries or (ii) a manufacturer of aircraft, engines or other equipment purchased or used by the Borrower and (b) that is otherwise designated by the Borrower as such in a writing provided to the Administrative Agent prior to March 30, 2018, including, in each case, Affiliates thereof that are reasonably identifiable as such solely by their names.

"Dollar Amount" shall mean, at any time, for any amount, (i) if denominated in Dollars, the amount thereof and (ii) if denominated in an Alternative Currency, the amount thereof converted to Dollars in accordance with Section 2.27.

"Dollars" and "\$" shall mean lawful money of the United States of America.

"DOT" shall mean the United States Department of Transportation and any successor thereto.

"Early Opt-in Election" means, if the then-current Benchmark is LIBO Rate, the occurrence of:

(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by the Administrative Agent and the Borrower to trigger a fallback from LIBO Rate and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Lenders.

“EBITDAR” shall mean, for any period, all as determined in accordance with GAAP, without duplication, an amount equal to (a) the Consolidated Net Income of the Borrower and its Subsidiaries for such period, plus (b) the sum of (i) any provision for income taxes for such period, (ii) Interest Expense for such period, (iii) extraordinary, non-recurring or unusual losses for such period, (iv) depreciation and amortization for such period, (v) amortized debt discount for such period, (vi) the amount of any deduction to consolidated net income as the result of any grant to any employee of the Borrower or its Subsidiaries of any Equity Interests during such period, (vii) aircraft rent expense for such period, (viii) any aggregate net loss during such period arising from a Capital Asset Sale (as defined below), (ix) all other non-cash charges for such period, (x) any losses arising under fuel hedging arrangements during such period, (xi) costs and expenses, including fees, incurred directly during such period in connection with the consummation of the transactions contemplated under the Loan Documents, and (xii) expenses or losses with respect to business interruption covered by insurance, in each case to the extent actually reimbursed, in the case of each of subclauses (i) through (xii) of this clause (b), to the extent deducted in the calculation of consolidated net income of the Borrower and its Subsidiaries for such period in accordance with GAAP, minus (c) the sum of (i) income tax credits for such period, (ii) interest income for such period, (iii) extraordinary, non-recurring or unusual gains for such period, (iv) any aggregate net gain during such period arising from the sale, exchange or other disposition of capital assets by the Borrower or its Subsidiaries (including any fixed assets, whether tangible or intangible, all inventory sold in conjunction with the disposition of fixed assets and all securities) (a “Capital Asset Sale”), (v) any gains arising under fuel hedging arrangements during such period, and (vi) any other non-cash gains that have been added in determining consolidated net income during such period, in the case of each of subclauses (i) through (vi) of this clause (c), to the extent included in the calculation of consolidated net income of the Borrower and its Subsidiaries for such period in accordance with GAAP. For purposes of this definition, the following items shall be excluded in determining consolidated net income of the Borrower and its Subsidiaries for any period: (1) the income (or deficit) of any other Person accrued prior to the date it became a Subsidiary of, or was merged or consolidated into, the Borrower or any of its Subsidiaries; (2) the income (or deficit) of any other Person (other than a Subsidiary) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent any such income has actually been received by the Borrower or such Subsidiary, as applicable, in the form of cash dividends or distributions; (3) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of income accrued during such period; (4) any write-up of any asset; (5) any net gain from the collection of the proceeds of life insurance policies; (6) any net gain arising from the acquisition of any securities, or the extinguishment, under GAAP, of any Indebtedness, of the Borrower or any of its Subsidiaries; (7) in the case of a successor to the Borrower by consolidation or merger or as a transferee of its assets, any earnings of such successor prior to such consolidation, merger or transfer of assets; (8) any deferred credit representing the excess of equity in any Subsidiary at the date of acquisition of such Subsidiary over the cost to the Borrower or any of its Subsidiaries of the investment in such Subsidiary; and (9) any foreign currency translation gains or losses (including gains or losses related to currency remeasurements of Indebtedness).

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

**“EEA Member Country”** means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

**“EEA Resolution Authority”** means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

**“Eligible Affiliate Assignee”** shall mean (a) with respect to any Lender, an Affiliate thereof that is: (i) a commercial bank or financial institution organized under the laws of the United States, or any state thereof, and having total assets in excess of \$1,000,000,000; (ii) a commercial bank or financial institution organized under the laws of France, Germany, the Netherlands, Spain or the United Kingdom, or under the Laws of a political subdivision of any such country, and having total assets in excess of \$1,000,000,000; provided that such bank or institution is acting through a branch or agency located in such country or the United States; or (iii) a commercial bank or financial institution organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development, or under the laws of a political subdivision of any such country, and having total assets in excess of \$1,000,000,000; provided that such bank or institution is acting through a branch or agency located in the United States, and (b) with respect to Goldman Sachs Bank USA, Goldman Sachs Lending Partners LLC.

**“Eligible Assignee”** shall mean (a) a commercial bank having total assets in excess of \$1,000,000,000, (b) a finance company, insurance company or other financial institution or fund, in each case reasonably acceptable to the Administrative Agent, which in the ordinary course of business extends credit of the type contemplated herein or invests therein and has total assets in excess of \$200,000,000 and whose becoming an assignee would not constitute a prohibited transaction under Section 4975 of the Code or Section 406 of ERISA, (c) any Lender or any Affiliate of any Lender and (d) any other financial institution reasonably satisfactory to the Administrative Agent; provided that “Eligible Assignee” shall not include any Disqualified Institution, any natural person, the Borrower or any Affiliate of the Borrower.

**“Eligible Collateral”** shall mean the Collateral; provided that if an Aircraft is Parked for more than thirty (30) days, such Aircraft shall be excluded from Eligible Collateral in its entirety unless an Appraisal Report establishing the current Appraised Value of such Aircraft in its Parked condition is (or has been) delivered to the Administrative Agent.

**“Environmental Laws”** shall mean all applicable laws (including common law), statutes, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions or legally binding requirements or agreements issued, promulgated or entered into by or with any Governmental Authority, relating to the protection of environment, preservation or reclamation of natural resources, the handling, treatment, storage, disposal, Release into the environment or threatened Release into the environment of, or human exposure to, any pollutants, contaminants or any toxic, radioactive or otherwise hazardous materials.

**“Environmental Liability”** shall mean any liability, contingent or otherwise, (including any liability for damages, natural resource damage, costs of environmental investigation, remediation or monitoring or costs, fines or penalties) resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment, disposal or the arrangement for disposal of any Hazardous Materials, (c) human exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials into the environment or (e) any contract, agreement, lease or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

**"Equity Interests"** shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person (whether direct or indirect), and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

**"ERISA"** shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder.

**"ERISA Affiliate"** shall mean any trade or business (whether or not incorporated) that, together with the Borrower, is treated as (i) a single employer under Section 414(b) or (c) of the Code, or (ii) solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code, or that is under common control with the Borrower within the meaning of Section 4001 of ERISA.

**"Escrow Accounts"** shall mean (1) accounts of the Borrower or any Subsidiary, solely to the extent any such accounts hold funds set aside by the Borrower or any Subsidiary (plus accrued interest thereon) to manage the collection and payment of amounts collected, withheld or incurred by the Borrower or such Subsidiary for the benefit of third parties relating to: (a) federal income tax withholding and backup withholding tax, employment taxes, transportation excise taxes and security related charges, (b) any and all state and local income tax withholding, employment taxes and related charges and fees and similar taxes, charges and fees, including, but not limited to, state and local payroll withholding taxes, unemployment and supplemental unemployment taxes, disability taxes, workman's or workers' compensation charges and related charges and fees, (c) state and local taxes imposed on overall gross receipts, sales and use taxes, fuel excise taxes and hotel occupancy taxes, (d) passenger facility fees and charges collected on behalf of and owed to various administrators, institutions, authorities, agencies and entities, (e) other similar federal, state or local taxes, charges and fees (including without limitation any amount required to be withheld or collected under applicable law) and (f) other funds held in trust for, or otherwise segregated for the benefit of, an identified beneficiary; in each case, held in escrow accounts, agent accounts, trust funds or other segregated accounts; or (2) accounts, capitalized interest accounts, debt service reserve accounts, escrow accounts and other similar accounts or funds established in connection with the ARB Indebtedness.

**"EU Bail-In Legislation Schedule"** means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

**"Euro"** or **"€"** shall mean the official currency of the European Economic and Monetary Union.

**"Eurodollar"**, when used in reference to any Revolving Loan or Borrowing, refers to whether such Revolving Loan, or the Revolving Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the LIBO Rate.

**"Eurodollar Tranche"** shall mean the collective reference to Eurodollar Revolving Loans under a particular Revolving Facility the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Revolving Loans shall originally have been made on the same day).

**"Event of Default"** shall have the meaning given to such term in Section 7.

**"Event of Loss"** shall have the meaning given such term in the Aircraft Mortgage.



“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Exchange Rate” shall mean on any day with respect to any currency other than Dollars, the rate at which such currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m. (London time) on such day on the Reuters World Currency Page for such currency; in the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 10:00 a.m. (New York City time) on such date for the purchase of Dollars for delivery two (2) Business Days later; provided, however, that if at any time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

“Excluded Taxes” shall mean, with respect to the Administrative Agent, any Lender, any Issuing Lender or any other recipient of any payment to be made by or on account of any Obligation of the Borrower hereunder or under any Loan Document, (a) income or franchise Taxes imposed on (or measured by) its net income however denominated by the United States of America or any political subdivision thereof or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or any political subdivision thereof, (b) any Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such taxes (other than a connection arising solely from such recipient’s having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to, or enforced, this Agreement or any Loan Document), (c) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which such recipient is located, (d) in the case of a Foreign Lender, any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, immediately before designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.16(a), (e) in the case of a Lender, any withholding tax that is attributable to such Lender’s failure to comply with Section 2.16(f) or 2.16(g) and (f) any withholding tax that is imposed by reason of FATCA.

“Existing Barclays Credit Agreement” shall mean that certain Credit and Guaranty Agreement dated as of October 18, 2012 among the Borrower, the subsidiary guarantors from time to time party thereto, the lenders from time to time party thereto and Barclays Bank PLC, as administrative agent, as amended prior to the date hereof.

“Existing JPM Credit Agreement” shall mean that certain Credit and Guaranty Agreement dated as of August 24, 2015 among the Borrower, the subsidiary guarantors from time to time party thereto, the lenders and issuing banks from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent, as amended prior to the date hereof.

“Existing Letters of Credit” shall mean each letter of credit issued prior to the Amendment No. 1 Effective Date and described in Schedule 1.01.

“Extended Revolving Credit Commitments” shall have the meaning given to such term in Section 2.29(a).

“Extending Lender” shall have the meaning given to such term in Section 2.29(a).

“Extension Agreement” shall have the meaning given to such term in Section 2.29(b).

“Extension Request” shall have the meaning given to such term in Section 2.29(a).

“FAA” shall mean the Federal Aviation Administration of the United States of America and any successor thereto.

“FAA Slot” shall mean, in the case of airports in the United States, at any time, the right and operational authority to conduct one Instrument Flight Rule (as defined in Title 14) scheduled landing or take-off operation at a specific time or during a specific time period at any airport at which landings or take-offs are restricted, including, without limitation, slots and operating authorizations, whether pursuant to FAA or DOT regulations or orders pursuant to Title 14, Title 49 or other federal statutes now or hereinafter in effect.

“FATCA” shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement, any amended or successor provisions that are substantively similar thereto, any regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b) of the Code, and any intergovernmental agreements with the United States with respect thereto and any laws or regulations implementing such intergovernmental agreement.

“FCA” has the meaning assigned to such term in Section 1.04.

“Federal Funds Effective Rate” shall mean, for any day, the rate calculated by the NYFRB based on such day’s federal funds transactions by depository institutions, as determined in such manner as the NYFRB shall set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate, provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Fees” shall collectively mean the Commitment Fees, Letter of Credit Fees, the Upfront Fees and other fees referred to in Section 2.19.

“Fifth-Freedom Rights” shall mean the operational right to enplane passenger traffic and cargo in a foreign country and deplane it in another foreign country, including any such right pursuant to a bilateral treaty between the United States and a foreign country.

“Fitch” means Fitch, Inc., also known as Fitch Ratings, and its successors.

“Finance Lease Obligation” shall mean, as applied to any Person, an obligation that is required to be accounted for as a finance or capital lease (and not an operating lease) on both the balance sheet and income statement for financial reporting purposes in accordance with GAAP. At the time any determination thereof is to be made, the amount of the liability in respect of a finance or capital lease would be the amount required to be reflected as a liability on such balance sheet (excluding the footnotes thereto) in accordance with GAAP.

“Foreign Aviation Authorities” shall mean any foreign governmental, quasi-governmental, regulatory or other agency, public corporation or private entity that exercises jurisdiction over the authorization (a) to serve any foreign point on each of the Routes and/or to conduct operations related to the Routes and Supporting Route Facilities and/or (b) to hold and operate any Foreign Slots.

**“Foreign Lender”** shall mean any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

**“Foreign Slot”** shall mean all of the rights and operational authority, now held or hereafter acquired, of the Borrower to conduct one (1) landing or takeoff operation during a specific hour or other period at each non-United States airport served in conjunction with the Borrower’s operations over a Route, other than “slots” which have been permanently allocated to another air carrier and in which the Borrower holds temporary use rights.

**“GAAP”** shall mean generally accepted accounting principles set forth in the statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time, in each case applied in accordance with Section 1.03.

**“Gate Interests”** shall mean all of the right, title, privilege, interest, and authority now or hereafter acquired or held by the Borrower in connection with the right to use or occupy holdroom and passenger boarding and deplaning space in any airport terminal at which the Borrower conducts scheduled operations.

**“Governmental Authority”** shall mean the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank organization, or other entity exercising executive, legislative, judicial, taxing or regulatory powers or functions of or pertaining to government. Governmental Authority shall not include any Person in its capacity as an Airport Authority.

**“Guarantee”** of or by any Person (the **“guarantor”**) shall mean any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the **“primary obligor”**) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; **provided** that the term Guarantee shall not include (i) endorsements for collection or deposits or (ii) customary contractual indemnities in commercial agreements, in each case in the ordinary course of business and consistent with past practice. The amount of any obligation relating to a Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made (or, if less, the maximum reasonably anticipated liability for which such Person may be liable pursuant to the terms of the instrument evidencing such Guarantee) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform) as determined by the guarantor in good faith.

**“Hazardous Materials”** shall mean all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, and radon gas, and all other

substances that are regulated as hazardous pursuant to, or, due to their hazardous qualities, could reasonably be expected to give rise to liability under any Environmental Law.

"Hedging Agreement" shall mean any agreement evidencing Hedging Obligations.

"Hedging Obligations" shall mean, with respect to any Person, all obligations and liabilities of such Person under (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements; (2) other swap or derivative agreements or arrangements designed to manage interest rates or interest rate risk; and (3) other swap or derivative agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates, fuel prices or other commodity prices.

"Impacted Interest Period" shall have the meaning assigned to it in the definition of "LIBO Rate".

"Increase Effective Date" shall have the meaning given to such term in Section 2.28(a).

"Increase Joinder" shall have the meaning given to such term in Section 2.28(c).

"Incremental Commitments" shall have the meaning given to such term in Section 2.28(a).

"Incremental Lender" shall have the meaning given to such term in Section 2.28(a).

"Indebtedness" of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money (including in connection with deposits or advances), (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accrued expenses incurred and current accounts payable, in each case in the ordinary course of business), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) Finance Lease Obligations, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances and (j) all obligations in respect of Hedging Agreements valued at the amount equal to what would be payable by such Person to its counterparty to such Hedging Agreements if such Hedging Agreements were terminated early on such date of determination. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" shall mean Taxes (other than Excluded Taxes) imposed on or with respect to any payments made by the Borrower under this Agreement or any other Loan Document.

"Indemnitee" shall have the meaning given to such term in Section 10.04(b).

"Initial Appraisal Report" shall mean the Valuation Report, dated March 16, 2018, by Morten Beyer & Agnew.

“Interest Election Request” shall mean a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05.

“Interest Expense” shall mean, for any period, the gross cash interest expense (including the interest component of Finance Lease Obligations), of the Borrower and its Subsidiaries on a consolidated basis for such period, all as determined in accordance with GAAP.

“Interest Payment Date” shall mean (a) as to any Eurodollar Revolving Loan having an Interest Period of one (1), ~~two (2)~~ or three (3) months, the last day of such Interest Period, (b) as to any Eurodollar Revolving Loan having an Interest Period of more than three (3) months, each day that is three (3) months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (c) with respect to ABR Revolving Loans, the last Business Day of each March, June, September and December.

“Interest Period” shall mean, as to any Borrowing of Eurodollar Revolving Loans, the period commencing on the date of such Borrowing (including as a result of a conversion from ABR Revolving Loans) or on the last day of the preceding Interest Period applicable to such Borrowing and ending on the numerically corresponding day (or if there is no corresponding day, the last day) in the calendar month that is one (1), ~~two (2)~~, three (3) or six (6) months (or, if available to all applicable Lenders, twelve (12) months) thereafter, as the Borrower may elect in the related notice delivered pursuant to Section 2.03 or 2.05; provided that (i) if any Interest Period would end on a day which shall not be a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (ii) no Interest Period shall end later than the applicable Termination Date.

“International Interest” shall mean an “international interest” as defined in the Cape Town Convention.

“International Registry” shall mean the “International Registry” as defined in the Cape Town Convention.

“Interpolated Rate” shall mean, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period for which the LIBO Screen Rate is available that is shorter than the Impacted Interest Period; and (b) the LIBO Screen Rate for the shortest period for which that LIBO Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

“Investment Property” shall have the meaning given to such term in the UCC.

“Issuing Lender” shall mean (i) in respect of the LC Tranche Facility, each of JPMorgan Chase Bank, N.A., Barclays Bank PLC, Citibank, N.A., Deutsche Bank AG New York Branch, Standard Chartered Bank, Credit Agricole Corporate and Investment Bank and any other Lender agreeing to be an issuer of Letters of Credit thereunder, in such capacity (which Lender shall be reasonably satisfactory to the Borrower and the Administrative Agent), and its successors in such capacity as provided in Section 2.02(i) and (ii) in respect of the ~~3-Year~~2024 Revolving Facility and ~~5-Year~~2023 Revolving Facility, each Lender agreeing to be an issuer of Letters of Credit thereunder, in such capacity (which Lender shall be reasonably satisfactory to the Borrower and the Administrative Agent), and its successors in such capacity as provided in Section 2.02(i). Each Issuing Lender may, in its reasonable discretion, arrange for one or

more Letters of Credit to be issued by Affiliates of such Issuing Lender reasonably acceptable to the Borrower, in which case the term "Issuing Lender" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"JFK" shall mean New York's John F. Kennedy (JFK) International Airport.

"JPMCB" shall have the meaning set forth in the first paragraph of this Agreement.

"LC Disbursement" shall mean a payment made by an Issuing Lender pursuant to a Letter of Credit issued by it.

"LC Exposure" shall mean, at any time, the sum of (a) the aggregate maximum undrawn Dollar Amount of all outstanding Letters of Credit at such time plus (b) the aggregate Dollar Amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be (i) with respect to the LC Tranche Facility, its LC Tranche Commitment Percentage of the total LC Exposure under the LC Tranche Facility at such time, (ii) with respect to the ~~3-Year~~2024 Revolving Facility, its ~~3-Year~~2024 Revolving Commitment Percentage of the total LC Exposure under the ~~3-Year~~2024 Revolving Facility at such time and (iii) with respect to the ~~5-Year~~2023 Revolving Facility, its ~~5-Year~~2023 Revolving Commitment Percentage of the total LC Exposure under the ~~5-Year~~2023 Revolving Facility at such time.

"LC Tranche Commitment" shall mean the commitment of each Lender to participate in Letters of Credit in respect of the LC Tranche Facility hereunder in an aggregate principal and/or face amount not to exceed the amount set forth under the heading "LC Tranche Commitment" opposite its name on Schedule 2.01 hereto or in the Assignment and Acceptance pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. As the context may require and to the extent contemplated by the relevant amendment establishing any other Class of revolving commitments hereunder, LC Tranche Commitment shall include such other Class of revolving commitments.

"LC Tranche Commitment Percentage" shall mean, at any time, with respect to each Lender, the percentage obtained by dividing its LC Tranche Commitment at such time by the Total LC Tranche Commitment or, if the LC Tranche Commitments have been terminated, the LC Tranche Commitment Percentage of such Lender that existed immediately prior to such termination.

"LC Tranche Extensions of Credit" shall mean, as to any Lender at any time, an amount equal to such Lender's LC Tranche Commitment Percentage of the LC Exposure with respect to the LC Tranche Facility then outstanding.

"LC Tranche Facility" shall have the meaning set forth in clause (ea) of the definition of "Revolving Facility" in this Section 1.01.

"LC Tranche Facility Maturity Date" shall mean (a) as of the Amendment No. 2 Effective Date, with respect to LC Tranche Commitments that have not been extended pursuant to Section 2.29(a), April 19, ~~2022~~2024, (b) with respect to Extended Revolving Credit Commitments under the LC Tranche Facility, the final maturity date therefor as specified in the applicable Extension Agreement and (c) with respect to any commitments under a Refinancing Revolving Facility with respect to the LC Tranche Facility, the final maturity date therefor specified in the applicable Refinancing Amendment.

"LC Tranche Facility Termination Date" shall mean the earlier to occur of (a) the LC Tranche Facility Maturity Date with respect to the applicable Revolving Commitments and (b) the date of

any acceleration of the Letters of Credit under the LC Tranche Facility and termination of the LC Tranche Commitments in accordance with the terms hereof.

"Lenders" shall have the meaning set forth in the first paragraph of this Agreement.

"Letter of Credit" shall mean any irrevocable letter of credit issued pursuant to Section 2.02, which letter of credit shall be (i) a standby letter of credit, (ii) issued for general corporate purposes of the Borrower or any Subsidiary, (iii) denominated in Dollars or any Alternative Currency and (iv) otherwise in such form as may be reasonably approved from time to time by the Administrative Agent and the applicable Issuing Lender. The Letters of Credit under the LC Tranche Facility shall be deemed to include all Existing Letters of Credit.

"Letter of Credit Fees" shall mean the fees payable in respect of Letters of Credit pursuant to Section 2.21.

"LIBO Rate" shall mean, with respect to any Eurodollar Borrowing for any Interest Period, the LIBO Screen Rate at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period; provided that if the LIBO Screen Rate shall not be available at such time for such Interest Period (an "Impacted Interest Period") then the LIBO Rate shall be the Interpolated Rate.

"LIBO Screen Rate" shall mean, for any day and time, with respect to any Eurodollar Borrowing for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion); provided that if the LIBO Screen Rate as so determined would be less than 1.00%, such rate shall be deemed to be 1.00% for the purposes of this Agreement.

"Lien" shall mean (a) any mortgage, deed of trust, pledge, deed to secure debt, hypothecation, security interest, International Interest, Prospective International Interest, easement (including, without limitation, reciprocal easement agreements and utility agreements), rights-of-ways, reservations, encroachments, zoning and other land use restrictions, claim or any other title defect, lease, encumbrance, restriction, lien or charge of any kind whatsoever and (b) the interest of a vendor or a lessor under any conditional sale, capital lease or other title retention agreement (or any Finance Lease Obligations having substantially the same economic effect as any of the foregoing, but in any event not in respect of any Non-Finance Lease Obligations).

"Loan Documents" shall mean this Agreement, the Letters of Credit (including applications for Letters of Credit and related reimbursement agreements), each Collateral Document and any other instrument or agreement (which is designated as a Loan Document therein) executed and delivered by the Borrower to the Administrative Agent, the Collateral Agent, any Issuing Lender or any Lender, in each case, as the same may be amended, restated, modified, supplemented, extended or amended and restated from time to time in accordance with the terms hereof.

"Material Adverse Change" shall mean any event, development or circumstance that has had or would reasonably be expected to have a Material Adverse Effect.

**“Material Adverse Effect”** shall mean a material adverse effect on (a) the business, operations or financial condition of the Borrower and its Subsidiaries, taken as a whole, (b) the validity or enforceability of the Loan Documents or the rights or remedies of the Administrative Agent, the Collateral Agent and the Lenders thereunder, or (c) the ability of the Borrower to pay the obligations under the Loan Documents.

**“Material Indebtedness”** shall mean Indebtedness (other than the Revolving Loans and Letters of Credit) of the Borrower in an aggregate principal amount exceeding \$200,000,000.

**“Material Subsidiary”** means, at any time, any Subsidiary of the Borrower having at such time (i) total assets, as of the last day of the most recently ended fiscal quarter for which the Borrower’s annual or quarterly financial statements have been most recently required to have been delivered pursuant to Section 5.01, having a net book value greater than or equal to 10% of the total assets of the Borrower and all of its Subsidiaries on a consolidated basis (as shown on the most recent balance sheet of the Borrower delivered pursuant to Section 5.01 or, if available earlier and delivered to the Administrative Agent, the balance sheet that is internally available for the then most recently ended fiscal quarter or fiscal year, as applicable), (ii) total revenue, as of the last day of the most recently ended fiscal quarter for which the Borrower’s annual or quarterly financial statements have been most recently required to have been delivered pursuant to Section 5.01, greater than or equal to 10% of the total revenue of the Borrower and all of its Subsidiaries on a consolidated basis (as shown on the most recent income statement of the Borrower delivered pursuant to Section 5.01 or, if available earlier and delivered to the Administrative Agent, the income statement that is internally available for the then most recently ended fiscal quarter or fiscal year, as applicable) or (iii) any Collateral.

**“Moody’s”** shall mean Moody’s Investors Service, Inc. (or any successor thereto).

**“Mortgage Supplements”** shall have the meaning set forth in the Aircraft Mortgage.

**“Multiemployer Plan”** shall mean a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA, which is maintained or contributed to by (or to which there is an obligation to contribute of) the Borrower or a Subsidiary of the Borrower or an ERISA Affiliate, and each such plan for the five-year period immediately following the latest date on which the Borrower, or a Subsidiary of the Borrower or an ERISA Affiliate maintained, contributed to or had an obligation to contribute to such plan.

**“Multiple Employer Plan”** shall mean a Single Employer Plan, which is maintained for employees of the Borrower or an ERISA Affiliate and at least one (1) person (as defined in Section 3(9) of ERISA) other than the Borrower and its ERISA Affiliates and in respect of which the Borrower or an ERISA Affiliate could have liability, contingent or otherwise, under ERISA.

**“Non-Defaulting Lender”** shall mean, at any time, a Lender that is not a Defaulting Lender.

**“Non-Extending Lender”** shall have the meaning given to such term in Section 2.29(c).

**“Non-Finance Lease Obligations”** shall mean a lease obligation that is not required to be accounted for as a finance or capital lease on both the balance sheet and the income statement for financial reporting purposes in accordance with GAAP. An operating lease shall be considered a Non-Finance Lease Obligation.

**“NYFRB”** shall mean the Federal Reserve Bank of New York.



"NYFRB Rate" shall mean, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); *provided* that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; *provided, further*, that if any of the aforesaid rates as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"NYFRB's Website" means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

"Obligations" shall mean the unpaid principal of and interest on (including interest, reasonable fees and reasonable out-of-pocket costs accruing after the maturity of the Revolving Loans and interest, reasonable fees and reasonable out-of-pocket costs accruing after the filing of any petition of bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest, fees or costs is allowed in such proceeding) the Revolving Loans and all other obligations and liabilities of the Borrower to any Agent, any Issuing Lender or any Lender (or, in the case of Designated Hedging Obligations and Designated Banking Product Obligations, any Person who was a Lender or an Affiliate of a Lender when the related Designated Hedging Agreement or Designated Banking Product Agreement was entered into), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which arise under, out of, or in connection with, this Agreement, any other Loan Document, any Letters of Credit, any Designated Hedging Agreement, any Designated Banking Product Agreement, or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, reasonable fees, indemnities, reasonable out-of-pocket costs, reasonable and documented out-of-pocket expenses (including all reasonable fees, charges and disbursements of counsel to any Agent, any Issuing Lender or any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise; *provided, however*, that the aggregate amount of all Designated Hedging Obligations and Designated Banking Product Obligations (in each case, valued in accordance with the definitions thereof) at any time outstanding that shall be included as "Obligations" shall not exceed \$500,000,000.

"Officer's Certificate" shall mean a certificate executed by a Responsible Officer of the Borrower in his/her capacity as such.

"Other Benchmark Rate Election" means, if the then-current Benchmark is the LIBO Rate, the occurrence of:

(a) a request by the Borrower to the Administrative Agent to notify each of the other parties hereto that, at the determination of the Borrower, Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed), in lieu of a LIBOR-based rate, a term benchmark rate as a benchmark rate, and

(b) the Administrative Agent, in its sole discretion, and the Borrower jointly elect to trigger a fallback from the LIBO Rate and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Lenders.

"Other Taxes" shall mean any and all present or future stamp, mortgage, intangible, documentary, recording or filing taxes or any other similar taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect

to, this Agreement or any other Loan Document, except any such Taxes that are imposed with respect to an assignment.

“Outstanding Letters of Credit” shall have the meaning given such term in Section 2.02(j).

“Overnight Bank Funding Rate” shall mean, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“Pacific Route FAA Slots” shall have the meaning given to such term in the SGR Security Agreement.

“Pacific Route Foreign Slots” shall have the meaning given to such term in the SGR Security Agreement.

“Pacific Routes” shall have the meaning given to such term in the SGR Security Agreement.

“Parent Company” shall mean, with respect to a Lender, the bank holding company (as defined in Federal Reserve Board Regulation Y), if any, of such Lender, and/or any Person owning, beneficially or of record, directly or indirectly, a majority of the shares of such Lender.

“Parked” shall mean, as to any Aircraft, that such Aircraft has been removed from service, other than Aircraft temporarily grounded for maintenance being actively conducted.

“Participant” shall have the meaning given to such term in Section 10.02(d).

“Participant Register” shall have the meaning given to such term in Section 10.02(d).

“Patriot Act” shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001, Title III of Pub. L. 107-56, signed into law on October 26, 2001 or any subsequent legislation that amends, supplements or supersedes such Act.

“Payroll Accounts” shall mean depository accounts used only for payroll.

“PBGC” shall mean the Pension Benefit Guaranty Corporation, or any successor agency or entity performing substantially the same functions.

“Permitted Disposition” shall mean:

(a) (i) the sale or lease of Spare Parts in the ordinary course of business (and, in the case of any such lease, consistent with past practices) and (ii) swaps, exchanges, interchange or pooling of assets or, in the case of Aircraft Collateral, other transfers of possession (subject to the limitations set forth in the Aircraft Mortgage) in the ordinary course of business.

(b) the Disposition of cash or Cash Equivalents constituting Collateral in exchange for other cash or Cash Equivalents constituting Collateral and having reasonably equivalent value therefor;

(c) sales or dispositions of surplus, obsolete, negligible or uneconomical assets (other than Aircraft Collateral that is not Parts (as defined in the Aircraft Mortgage)) no longer used in the business of the Borrower.

(d) abandonment of Slots, Gate Interests or Routes; provided that such abandonment is (A) in connection with the downsizing of any hub or facility which does not materially and adversely affect the business of the Borrower and its Subsidiaries, taken as a whole, (B) in the ordinary course of business consistent with past practices and does not materially and adversely affect the business of the Borrower and its Subsidiaries, taken as a whole, or (C) reasonably determined by the Borrower to be of de minimis value; provided, further, that (x) after giving effect to such abandonment, the Appraised Value of the remaining Collateral shall satisfy the Collateral Coverage Test and (y) if the Collateral being removed constitutes at least 10% of the Appraised Value of all Slots, Gate Interests and Routes constituting Collateral, then prior to effecting the removal, the Borrower shall have delivered an Officer's Certificate to the Collateral Agent certifying that, after giving effect to such removal, the Appraised Value of the Eligible Collateral shall satisfy the Collateral Coverage Test (it being understood that such Appraised Value shall be based on the most recent Appraisal Report delivered under Section 5.09(a) or, solely in the case of an abandonment pursuant to clause (B), based on an Appraisal Report of all such category of Eligible Collateral performed at (or within 60 days before) the time of such abandonment);

(e) exchange of FAA Slots in the ordinary course of business (including seasonal adjustments to FAA Slots consistent with past practice) that in the Borrower's reasonable judgment are of reasonably equivalent value (so long as the FAA Slots received in such exchange constitute Pacific Route FAA Slots and are pledged as "Collateral" for the Obligations);

(f) the termination of leases or airport use agreements in the ordinary course of business to the extent such terminations do not have a Material Adverse Effect or a Collateral Material Adverse Effect;

(g) any other lease or sublease of, or use agreements with respect to, assets and properties that constitute Slots, Gate Interests or Routes in the ordinary course of business and swap agreements with respect to Slots in the ordinary course of business and which lease, sublease, use agreement or swap agreement (A) has a term of less than one year or (B) has a term of one year or longer; provided that if the aggregate Appraised Value of all Slots, Gate Interests and Routes constituting Collateral leased or subleased pursuant to this subclause (B) is equal to or greater than 10% of the Appraised Value of all Slots, Gate Interests and Routes constituting Collateral in the most recent Appraisal Report delivered by the Borrower pursuant to Section 5.09, the Appraised Value of all Slots, Gate Interests and Routes constituting Collateral, after giving pro forma effect to all outstanding leases, subleases, use agreements and swap agreements pursuant to this subclause (B), would be not materially less than the Appraised Value of all Slots, Gate Interests and Routes constituting Collateral in the most recent Appraisal Report delivered by the Borrower pursuant to Section 5.09, all as determined in good faith by the Borrower and reflected in an Officers' Certificate that is delivered to the Collateral Agent prior to entering into any such lease or sublease, demonstrating, with reasonably detailed calculations, compliance with the provisions of this subclause (B) and detailing the arrangements pursuant to which the Collateral Agent's Liens on all Slots, Gate Interests and Routes constituting Eligible Collateral subject to such lease or sublease are not materially adversely affected in the good faith determination of the Borrower; provided that the aggregate Appraised Value of the Slots, Gate Interests or Routes so leased is less than 10% of the Appraised Value of the Eligible Collateral;

(h) any single transaction or series of related transactions that involves assets having a fair market value of less than \$50,000,000; provided that the Appraised Value of the remaining Eligible Collateral shall satisfy the Collateral Coverage Test based on the most recently available Appraisal Reports;

(i) any loss of or damage to property of the Borrower, (ii) any taking of property of the Borrower or (iii) an Event of Loss;

(j) any Permitted Lien;

(k) assignments of leases or granting of leases or subleases of Aircraft or engines to the extent permitted pursuant to the Aircraft Mortgage (including any applicable Mortgage Supplement); and

(l) substitutions of engines or spare engines in accordance with the Aircraft Mortgage; provided that (i) such Replacement Engine (as defined in the Aircraft Mortgage) is of at least equal fair market value and utility (without regard to hours and cycles) as the engine or spare engine it replaces assuming such engine or spare engine had been maintained in the condition required by the Aircraft Mortgage, (ii) such Replacement Engine shall be subject to a perfected Lien, having the same priority (subject only to Permitted Liens) as the Lien on such engine or spare engine being replaced immediately prior to such substitution (and otherwise subject only to Permitted Liens), in favor of the Collateral Agent for the benefit of the Secured Parties upon consummation of such substitution.

"Permitted Liens" shall have the meaning given to such term in Section 6.01.

"Person" shall mean any natural person, corporation, division of a corporation, partnership, limited liability company, trust, joint venture, association, company, estate, unincorporated organization, Airport Authority or Governmental Authority or any agency or political subdivision thereof.

"Plan" shall mean a Single Employer Plan or a Multiple Employer Plan that is a pension plan subject to the provisions of Title IV of ERISA, Sections 412 or 430 of the Code or Section 302 of ERISA.

"Plan Asset Regulations" means of 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA, as amended from time to time.

"Prime Rate" shall mean the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Professional User" shall have the meaning given it in the Regulations and Procedures for the International Registry.

"Prospective Assignment" shall have the meaning given in the Cape Town Convention.

"Prospective International Interest" shall have the meaning given in the Cape Town Convention.

“Prospective Sale” shall have the meaning given in the Cape Town Convention.

“Protocol” shall mean the Protocol referred to in the defined term “Cape Town Convention.”

“Rating Agency” shall mean any of S&P, Moody’s and Fitch.

“Ratings” shall mean as of any date of determination, the corporate credit rating as determined by S&P, the corporate family rating as determined by Moody’s or the corporate credit rating as determined by Fitch, as applicable, of the Borrower.

“Recipient” means (a) the Administrative Agent, (b) any Lender, (c) any Issuing ~~Bank~~Lender or (d) any other recipient of any payment to be made by or on account of any Obligation of the Borrower hereunder or under any Loan Document, as applicable.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is LIBO Rate, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not LIBO Rate, the time determined by the Administrative Agent in its reasonable discretion.

“Refinancing Amendment” shall have the meaning given to such term in Section 10.08(e).

“Refinancing Debt” shall mean Indebtedness (or commitments in respect thereof) incurred to refinance (whether concurrently or after any repayment or prepayment of any such Indebtedness being refinanced) (a) commitments under the Revolving Facility or (b) Indebtedness (or commitments in respect thereof) incurred pursuant to the preceding clause (a), in each case, from time to time, in whole or part, in the form of (i) one or more new revolving credit facilities (each, a “Refinancing Revolving Facility”) made available under this Agreement with the consent (which consent shall not be unreasonably withheld or delayed) of the Borrower and the Administrative Agent (to the extent such consent would be required under Section 10.02(b) for an assignment of Revolving Loans to the applicable lender) and the lenders providing such financing (and no other lenders) or (ii) one or more series of revolving credit facilities outside of this Agreement; provided that (A) any Refinancing Debt shall not mature, and there shall be no scheduled commitment reductions or scheduled amortization payments under any such Refinancing Debt, prior to the maturity date of the revolving commitments being refinanced, (B) the other terms and conditions of such Refinancing Debt (excluding pricing, premium, maturity, scheduled amortization and optional prepayment or redemption provisions) shall be customary market terms for indebtedness of such type, (C) after giving pro forma effect to the incurrence of Refinancing Debt (to the extent of any drawings to be made thereunder on the date of effectiveness of the related commitments) and the application of the net proceeds therefrom, the Borrower shall be in pro forma compliance with the Collateral Coverage Test, (D) there shall be no additional direct or contingent obligors with respect to such Refinancing Debt, (E) the aggregate principal amount of such Refinancing Debt shall not exceed the aggregate principal amount of the Indebtedness being refinanced plus accrued interest, fees and premiums (if any) thereon and reasonable fees and expenses associated with the refinancing, (F) no Lender shall be obligated to provide any such Refinancing Debt and (G) such Indebtedness may (i) rank pari passu in right of payment with the Obligations and be secured by the Collateral on a pari passu basis with the Obligations, (ii) rank junior in right of payment with the Obligations and be secured by the Collateral on a junior basis to the Obligations or (iii) be unsecured or secured by assets other than Collateral so long as, in the case of clauses (G)(i) and (G)(ii), the holders of such Indebtedness have entered into an intercreditor agreement reasonably acceptable to the Administrative Agent and the Borrower.

“Register” shall have the meaning set forth in Section 10.02(b)(iv).

“Regulations and Procedures for the International Registry” shall mean the official English language text of the International Registry Procedures and Regulations issued by the Supervisory Authority (as defined in the Cape Town Convention) pursuant to the Aircraft Protocol.

“Related Parties” shall mean, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, partners, members, employees, agents, advisors, trustees, managers and representatives of such Person and such Person’s Affiliates.

“Release” shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment.

“Relevant Governmental Body” means the Federal Reserve Board and/or the ~~Federal Reserve Bank of New York~~ NYFRB, or a committee officially endorsed or convened by the Federal Reserve Board and/or the ~~Federal Reserve Bank of New York~~ NYFRB, or any successor thereto.

“Relevant Rate” means with respect to any Eurodollar Revolving Loan Borrowing, the LIBO Rate.

“Required 3-Year~~2023~~ Lenders” shall mean, at any time, Lenders holding more than 50% of the Total ~~3-Year2023~~ Revolving Commitments then in effect or, if the ~~3-Year2023~~ Revolving Commitments have been terminated, the Total ~~3-Year2023~~ Revolving Extensions of Credit then outstanding.

“Required 5-Year~~2024~~ Lenders” shall mean, at any time, Lenders holding more than 50% of the Total ~~5-Year2024~~ Revolving Commitments then in effect or, if the ~~5-Year2024~~ Revolving Commitments have been terminated, the Total ~~5-Year2024~~ Revolving Extensions of Credit then outstanding.

“Required LC Tranche Lenders” shall mean, at any time, Lenders holding more than 50% of the Total LC Tranche Commitments then in effect or, if the LC Tranche Commitments have been terminated, the Total LC Tranche Extensions of Credit then outstanding.

“Required Lenders” shall mean, at any time, Lenders holding more than 50% of the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” shall mean the chief executive officer, president, chief financial officer, treasurer, assistant treasurer, vice president, controller, chief accounting officer, secretary or assistant secretary of the Borrower, but in any event, with respect to financial matters, the chief financial officer, treasurer, assistant treasurer, controller or chief accounting officer of the Borrower.

“Restricted Payment” shall mean any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in the Borrower.

“Revolving Availability Period” shall mean, (a) with respect to the LC Tranche Facility, the period from and including the Amendment No. 1 Effective Date to but excluding the LC Tranche Facility Termination Date, (b) with respect to the ~~3-Year~~2024 Revolving Facility, the period from and including the Closing Date to but excluding the ~~3-Year~~2024 Revolving Facility Termination Date and (c) with respect to the ~~5-Year~~2023 Revolving Facility, the period from and including the Closing Date to but excluding the ~~5-Year~~2023 Revolving Facility Termination Date.

“Revolving Commitment” shall mean the LC Tranche Commitment, the ~~3-Year~~2024 Revolving Commitment and/or the ~~5-Year~~2023 Revolving Commitment, as applicable.

“Revolving Commitment Increase” shall have the meaning given to such term in Section 2.28(a).

“Revolving Commitment Percentage” shall mean, at any time, with respect to each Lender, its LC Tranche Commitment Percentage, its ~~3-Year~~2024 Revolving Commitment Percentage or its ~~5-Year~~2023 Revolving Commitment Percentage, as applicable.

“Revolving Extensions of Credit” shall mean, as to any Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Loans held by such Lender then outstanding, (b) such Lender’s LC Tranche Commitment Percentage of the LC Exposure with respect to the LC Tranche Facility then outstanding, (c) such Lender’s ~~3-Year~~2024 Revolving Commitment Percentage of the LC Exposure with respect to the ~~3-Year~~2024 Revolving Facility then outstanding and (d) such Lender’s ~~5-Year~~2023 Revolving Commitment Percentage of the LC Exposure with respect to the ~~5-Year~~2023 Revolving Facility then outstanding.

“Revolving Facility” shall mean each of (a) the LC Tranche Commitments and the Letters of Credit issued thereunder (the “LC Tranche Facility”), (b) the ~~3-Year~~2024 Revolving Commitments and the ~~3-Year~~2024 Revolving Loans made thereunder (the “3-Year2024 Revolving Facility”) and (c) the ~~5-Year~~2023 Revolving Commitments and the ~~5-Year~~2023 Revolving Loans made thereunder (the “5-Year2023 Revolving Facility”).

“Revolving Facility Maturity Date” shall mean the LC Tranche Facility Maturity Date, the ~~3-Year~~2024 Revolving Facility Maturity Date or the ~~5-Year~~2023 Revolving Facility Maturity Date, as applicable.

“Revolving Loan” shall mean a ~~3-Year~~2024 Revolving Loan or ~~5-Year~~2023 Revolving Loan, as applicable.

“Routes” shall mean the routes for which the Borrower holds or hereafter acquires the requisite authority to operate foreign air transportation pursuant to Title 49 including, without limitation, applicable frequencies, exemption and certificate authorities, Fifth-Freedom Rights and “behind/beyond rights”, whether or not utilized by the Borrower.

“S&P” shall mean Standard & Poor’s Ratings Services.

“Sanctions” shall have the meaning given to such term in Section 3.11(a).

“SEC” shall mean the United States Securities and Exchange Commission.

“Secured Parties” shall mean, collectively, (i) Administrative Agent, (ii) each Lender (iii) each Issuing Lender, (iv) each other holder of Obligations and (v) each other Indemnitee.

"SGR Security Agreement" shall mean that certain Slot, Gate And Route Security and Pledge Agreement, dated as of the Amendment No. 1 Effective Date, from the Borrower to the Collateral Agent.

"Single Employer Plan" shall mean a single employer plan, as defined in Section 4001(a)(15) of ERISA, that is maintained for current or former employees of the Borrower or an ERISA Affiliate and in respect of which the Borrower or any ERISA Affiliate could reasonably be expected to have liability under Title IV of ERISA.

"Slot" shall mean each FAA Slot and each Foreign Slot.

"SOFR" means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website on the immediately succeeding Business Day.

"SOFR Administrator" means the NYFRB (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the NYFRB's website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"Spare Part" shall mean (a) an accessory, appurtenance, or part of (i) an Aircraft (except an engine or propeller), (ii) an engine (except a propeller), (iii) a propeller or (iv) an Appliance, in each case that is to be installed at a later time in an aircraft, engine, propeller or Appliance and shall include, without limitation, "spare parts" as defined in 49 U.S.C. § 40102(a)(43), (b) an Appliance or (c) a propeller.

"Specified Person" shall have the meaning given to such term in Section 3.11(a).

"Specified Pacific Route FAA Slot" shall have the meaning given such term in the SGR Security Agreement.

"Statutory Reserve Rate" shall mean a fraction (expressed as a decimal), the numerator of which is the number one (1) and the denominator of which is the number one (1) minus the aggregate of the maximum reserve ~~percentages~~percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the LIBO Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Revolving Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subsidiary" shall mean, with respect to any Person (in this definition referred to as the "parent"), any corporation, association or other business entity (whether now existing or hereafter organized) of which at least a majority of the securities or other ownership or membership interests having ordinary voting power for the election of directors (or equivalent governing body) is, at the time as of which any determination is being made, owned or controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless otherwise specified, all



references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Successor Company” shall have the meaning set forth in Section 6.02(a)(ii).

“Supporting Route Facilities” shall mean Gate Interests, ticket counters and other facilities assigned, allocated, leased, or made available to the Borrower at airports used in the operation of scheduled service over a Route.

“Taxes” shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term SOFR” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Term SOFR Notice” means a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event.

“Term SOFR Transition Event” means the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable (and, for the avoidance of doubt, not in the case of an Other Benchmark Rate Election), has previously occurred resulting in a Benchmark Replacement in accordance with Section 2.09 that is not Term SOFR.

“Termination Date” shall mean (a) the LC Tranche Facility Termination Date, (b) the ~~3-Year~~2024 Revolving Facility Termination Date applicable to the related Revolving Commitments or (c) the ~~5-Year~~2023 Revolving Facility Termination Date applicable to the related Revolving Commitments, as applicable.

“Termination Event” shall mean (a) any “reportable event,” as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the thirty (30) day notice period is waived) as in effect on the Closing Date (no matter how such notice requirement may be changed in the future), (b) an event described in Section 4068 of ERISA, (c) the withdrawal of the Borrower or any ERISA Affiliate from a Multiple Employer Plan during a plan year in which it was a “substantial employer,” as such term is defined in Section 4001(a)(2) of ERISA, (d) the incurrence of liability by the Borrower or any ERISA Affiliate under Section 4064 of ERISA upon the termination of a Multiple Employer Plan, (e) the imposition of Withdrawal Liability or receipt of notice from a Multiemployer Plan that such liability may be imposed, (f) a determination that a Multiemployer Plan is, or is expected to be, insolvent within the meaning of Title IV of ERISA, (g) providing notice of intent to terminate a Plan pursuant to Section 4041(c) of ERISA or the treatment of a Plan amendment as a termination under Section 4041 of ERISA, if such amendment requires the provision of security, (h) the institution of proceedings to terminate a Plan by the PBGC under Section 4042 of ERISA, (i) any failure by any Plan to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Sections 302 or 303 of ERISA) applicable to such Plan, whether or not waived, (j) any failure by any Plan to satisfy the special funding rules for plans maintained by commercial airlines contained in Section 402 of the Pension Protection Act of 2006, (k) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, or (l) any other event or condition which would reasonably be expected to constitute grounds

under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the imposition of any liability under Title IV of ERISA (other than for the payment of premiums to the PBGC in the ordinary course).

“Title 14” means Title 14 of the U.S. Code of Federal Regulations, including Part 93, Subparts K and S thereof, as amended from time to time or any successor or recodified regulation.

“Title 49” shall mean Title 49 of the United States Code, which, among other things, recodified and replaced the U.S. Federal Aviation Act of 1958, and the rules and regulations promulgated pursuant thereto or any subsequent legislation that amends, supplements or supersedes such provisions.

“Total 3-Year2023 Revolving Commitment” shall mean, at any time, the sum of the ~~3-Year2023~~ Revolving Commitments at such time. ~~The original~~ As of the Amendment No. 2 Effective Date, the amount of the Total 3-Year2023 Revolving Commitment is \$1,325,000,000.

“Total 3-Year2023 Revolving Extensions of Credit” shall mean, at any time, the aggregate amount of the ~~3-Year2023~~ Revolving Extensions of Credit of the Lenders outstanding at such time.

“Total 5-Year2024 Revolving Commitment” shall mean, at any time, the sum of the ~~5-Year2024~~ Revolving Commitments at such time. ~~The original~~ As of the Amendment No. 2 Effective Date, the amount of the Total 5-Year2024 Revolving Commitment is \$1,325,000,0001,250,000,000.

“Total 5-Year2024 Revolving Extensions of Credit” shall mean, at any time, the aggregate amount of the ~~5-Year2024~~ Revolving Extensions of Credit of the Lenders outstanding at such time.

“Total LC Tranche Commitment” shall mean, at any time, the sum of the LC Tranche Commitments at such time. ~~The original~~ As of the Amendment No. 2 Effective Date, the amount of the Total LC Tranche Commitment is \$216,078,361.60305,078,361.60.

“Total LC Tranche Extensions of Credit” shall mean, at any time, the aggregate amount of the LC Tranche Extensions of Credit of the Lenders outstanding at such time.

“Total Revolving Commitment” shall mean, at any time, the sum of the LC Tranche Commitments, ~~3-Year2024~~ Revolving Commitments and the ~~5-Year2023~~ Revolving Commitments at such time.

“Total Revolving Extensions of Credit” shall mean, at any time, the aggregate amount of the Revolving Extensions of Credit of the Lenders outstanding at such time.

“Transactions” shall mean the execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents, the termination of the Existing Barclays Credit Agreement and the Existing JPM Credit Agreement and the creation of the Liens over the Collateral in favor of the Collateral Agent for the benefit of the Secured Parties.

“Type”, when used in reference to any Revolving Loan or Borrowing, refers to whether the rate of interest on such Revolving Loan, or on the Revolving Loans comprising such Borrowing, is determined by reference to the LIBO Rate or the Alternate Base Rate.

“UCC” shall mean the Uniform Commercial Code as in effect in the State of New York from time to time.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“United States Citizen” shall have the meaning set forth in Section 3.02.

“Unused Total 3-Year~~2023~~ Revolving Commitment” shall mean, at any time, (a) the Total ~~3-Year~~2023~~~~ Revolving Commitment less (b) the Total ~~3-Year~~2023~~~~ Revolving Extensions of Credit.

“Unused Total 5-Year~~2024~~ Revolving Commitment” shall mean, at any time, (a) the Total ~~5-Year~~2024~~~~ Revolving Commitment less (b) the Total ~~5-Year~~2024~~~~ Revolving Extensions of Credit.

“Unused Total LC Tranche Commitment” shall mean, at any time, (a) the Total LC Tranche Commitment less (b) the Total LC Tranche Extensions of Credit.

“Unused Total Revolving Commitment” shall mean the Unused Total LC Tranche Commitment, the Unused Total ~~3-Year~~2024~~~~ Revolving Commitment or the Unused Total ~~5-Year~~2023~~~~ Revolving Commitment, as applicable.

“Upfront Fees” shall have the meaning set forth in Section 2.20(b).

“Unrestricted Cash” means cash and Cash Equivalents of the Borrower that (i) may be classified, in accordance with GAAP, as “unrestricted” on the consolidated balance sheets of the Borrower or (ii) may be classified, in accordance with GAAP, as “restricted” on the consolidated balance sheets of the Borrower solely in favor of the Collateral Agent and the Secured Parties.

“U.S. Tax Compliance Certificate” shall have the meaning set forth in Section 2.16(g)(1)(ii)(3).

“Withdrawal Liability” shall have the meaning given to such term under Part I of Subtitle E of Title IV of ERISA and shall include liability that results from either a complete or partial withdrawal.

“Withholding Agent” shall mean the Borrower and the Administrative Agent.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom,

any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented, extended, amended and restated or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s permitted successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law, rule or regulation herein shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time, (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (g) “knowledge” or “aware” or words of similar import shall mean, when used in reference to the Borrower, the actual knowledge of any Responsible Officer.

SECTION 1.03. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Upon any such request for an amendment, the Borrower, the Required Lenders and the Administrative Agent agree to consider in good faith any such amendment in order to amend the provisions of this Agreement so as to reflect equitably such accounting changes so that the criteria for evaluating the Borrower’s financial condition shall be the same after such accounting changes as if such accounting changes had not occurred.

SECTION 1.04. Interest Rates; LIBOR Notification. ~~The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of “LIBOR Rate” or with respect to any comparable or successor rate thereto, or replacement rate therefor, provided that the foregoing shall not apply to any liability arising out of the bad faith, willful misconduct or negligence of the Administrative Agent.~~

The interest rate on a Loan may be derived from an interest rate benchmark that is, or may in the future become, the subject of regulatory reform. Regulators have signaled the need to use

alternative benchmark reference rates for some of these interest rate benchmarks and, as a result, such interest rate benchmarks may cease to comply with applicable laws and regulations, may be permanently discontinued, and/or the basis on which they are calculated may change. The London interbank offered rate ("LIBOR") is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. On March 5, 2021, the U.K. Financial Conduct Authority ("FCA") publicly announced that: i) immediately after December 31, 2021, publication of the 1-week and 2-month Dollar LIBOR settings will permanently cease; immediately after June 30, 2023, publication of the overnight and 12-month Dollar LIBOR settings will permanently cease; or, subject to consultation by the FCA, be provided on a changed methodology (or "synthetic") basis and no longer be representative of the underlying market and economic reality they are intended to measure and that representativeness will not be restored; and immediately after June 30, 2023, the 1-month, 3-month and 6-month Dollar LIBOR settings will cease to be provided or, subject to the FCA's consideration of the case, be provided on a synthetic basis and no longer be representative of the underlying market and economic reality they are intended to measure and that representativeness will not be restored. There is no assurance that dates announced by the FCA will not change or that the administrator of LIBOR and/or regulators will not take further action that could impact the availability, composition, or characteristics of LIBOR or the currencies and/or tenors for which LIBOR is published. Each party to this agreement should consult its own advisors to stay informed of any such developments. Public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of LIBOR. Upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event, an Early Opt-in Election or an Other Benchmark Rate Election, Section 2.09(b) and (c) provide a mechanism for determining an alternative rate of interest. The Administrative Agent will promptly notify the Borrower, pursuant to Section 2.09(e), of any change to the reference rate upon which the interest rate on Eurodollar Revolving Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to LIBOR or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to Section 2.09(b) or (c), whether upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event, an Early Opt-in Election or an Other Benchmark Rate Election, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.09(d)), including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the LIBOR Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Benchmark, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.05. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedging Agreements or any other agreement or instrument that is a QFC (such support, "QFC Credit Support") and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of

the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States.

(b) As used in this Section 1.05, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

## SECTION 2.

### AMOUNT AND TERMS OF CREDIT

#### SECTION 2.01. Revolving Commitments of the Lenders.

(a) Revolving Commitments. (i) Each Lender under the ~~3-Year~~2024 Revolving Facility severally, and not jointly with the other Lenders under the ~~3-Year~~2024 Revolving Facility, agrees, upon the terms and subject to the conditions herein set forth, to make revolving credit loans denominated in Dollars (each a “~~3-Year~~2024 Revolving Loan” and collectively, the “~~3-Year~~2024 Revolving Loans”) to the Borrower at any time and from time to time during the Revolving Availability Period with respect to the ~~3-Year~~2024 Revolving Facility in an aggregate principal amount not to exceed, when added to such Lender’s LC Exposure under the ~~3-Year~~2024 Revolving Facility, the ~~3-Year~~2024 Revolving Commitment of such Lender, which ~~3-Year~~2024 Revolving Loans may be repaid and

reborrowed in accordance with the provisions of this Agreement. At no time shall the Total ~~3-Year2024~~ Revolving Extensions of Credit exceed the Total ~~3-Year2024~~ Revolving Commitment.

(ii) Each Lender under the ~~5-Year2023~~ Revolving Facility severally, and not jointly with the other Lenders under the ~~5-Year2023~~ Revolving Facility, agrees, upon the terms and subject to the conditions herein set forth, to make revolving credit loans denominated in Dollars (each a "~~5-Year2023~~ Revolving Loan" and collectively, the "~~5-Year2023~~ Revolving Loans") to the Borrower at any time and from time to time during the Revolving Availability Period with respect to the ~~5-Year2023~~ Revolving Facility in an aggregate principal amount not to exceed, when added to such Lender's LC Exposure under the ~~5-Year2023~~ Revolving Facility, the ~~5-Year2023~~ Revolving Commitment of such Lender, which ~~5-Year2023~~ Revolving Loans may be repaid and reborrowed in accordance with the provisions of this Agreement. At no time shall the Total ~~5-Year2023~~ Revolving Extensions of Credit exceed the Total ~~5-Year2023~~ Revolving Commitment.

(iii) Each Borrowing of a Revolving Loan under the applicable Revolving Facility shall be made from the applicable Lenders pro rata in accordance with their respective Revolving Commitments; provided, however, that the failure of any Lender to make any Revolving Loan under the applicable Revolving Facility shall not in itself relieve the other Lenders under such Revolving Facility of their obligations to lend.

(b) Type of Borrowing. Each Borrowing shall be comprised entirely of ABR Revolving Loans or Eurodollar Revolving Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Revolving Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Revolving Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Revolving Loan in accordance with the terms of this Agreement.

(c) Amount of Borrowing. At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is in an integral multiple of \$1,000,000 and not less than \$5,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 and not less than \$1,000,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire Unused Total ~~3-Year2024~~ Revolving Commitment or the Unused Total ~~5-Year2023~~ Revolving Commitment, as applicable, or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.02(e). Borrowings of more than one (1) Type may be outstanding at the same time.

(d) Limitation on Interest Period. Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing of a Revolving Loan if the Interest Period requested with respect thereto would end after the Revolving Facility Maturity Date with respect to the applicable Revolving Commitments.

SECTION 2.02. Letters of Credit. (a) General. (i) Subject to the terms and conditions set forth herein, the Borrower may request from any Issuing Lender under the LC Tranche Facility the issuance of Letters of Credit in Dollars or any Alternative Currency, at any time and from time to time during the Revolving Availability Period with respect to the LC Tranche Facility, in each case, for the Borrower's own account or the account of the Borrower or any Subsidiary, in a form reasonably acceptable to the Administrative Agent, such Issuing Lender and the Borrower. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, an Issuing Lender relating to any Letter of Credit, the terms and conditions of this

Agreement shall control. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the applicable Issuing Lender hereunder for any and all drawings under such Letter of Credit.

(ii) Subject to the terms and conditions set forth herein, the Borrower may request from any Issuing Lender under the ~~3-Year~~2024 Revolving Facility the issuance of Letters of Credit in Dollars or any Alternative Currency, at any time and from time to time during the Revolving Availability Period with respect to the ~~3-Year~~2024 Revolving Facility, in each case, for the Borrower's own account or the account of the Borrower or any Subsidiary, in a form reasonably acceptable to the Administrative Agent, such Issuing Lender and the Borrower. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, an Issuing Lender relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the applicable Issuing Lender hereunder for any and all drawings under such Letter of Credit.

(iii) Subject to the terms and conditions set forth herein, the Borrower may request from any Issuing Lender under the ~~5-Year~~2023 Revolving Facility the issuance of Letters of Credit in Dollars or any Alternative Currency, at any time and from time to time during the Revolving Availability Period with respect to the ~~5-Year~~2023 Revolving Facility, in each case, for the Borrower's own account or the account of the Borrower or any Subsidiary, in a form reasonably acceptable to the Administrative Agent, such Issuing Lender and the Borrower. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, an Issuing Lender relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the applicable Issuing Lender hereunder for any and all drawings under such Letter of Credit.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit by any Issuing Lender (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall either hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Lender (which approval shall not be unreasonably withheld, delayed or conditioned)) to the applicable Issuing Lender and the Administrative Agent (at least three (3) Business Days (or such shorter period as may be agreed by the applicable Issuing Lender) in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying (1) the date of issuance, amendment, renewal or extension (which shall be a Business Day), (2) the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), (3) the amount of such Letter of Credit, (4) the currency of such Letter of Credit, (5) the name and address of the beneficiary thereof, (6) whether such Letter of Credit is to be issued under the LC Tranche Facility, ~~3-Year~~2024 Revolving Facility or the ~~5-Year~~2023 Revolving Facility and (7) such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Lender, the Borrower also shall submit a letter of credit application on such Issuing Lender's standard form in connection with any request for a Letter of Credit; provided that, to the extent such standard form (and/or any related reimbursement agreement) is inconsistent with the Loan Documents, the Loan Documents shall control. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment,



renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, (i) with respect to the LC Tranche Facility, (x) the aggregate LC Exposure thereunder shall not exceed the Total LC Tranche Commitment, (y) the aggregate amount of the Unused Total LC Tranche Commitment shall not be less than zero and (z) the aggregate face amount of issued and outstanding Letters of Credit issued by the applicable Issuing Lender under the LC Tranche Facility shall not exceed such Issuing Lender's LC Tranche Commitment unless consented to by such Issuing Lender in its sole discretion, (ii) with respect to the ~~3-Year2024~~ Revolving Facility, (x) the aggregate LC Exposure thereunder shall not exceed the ~~3-Year2024~~ LC Sublimit and (y) the aggregate amount of the Unused Total ~~3-Year2024~~ Revolving Commitment shall not be less than zero and (iii) with respect to the ~~5-Year2023~~ Revolving Facility, (x) the aggregate LC Exposure thereunder shall not exceed the ~~5-Year2023~~ LC Sublimit and (y) the aggregate amount of the Unused Total ~~5-Year2023~~ Revolving Commitment shall not be less than zero. No Issuing Lender (other than an Affiliate of the Administrative Agent) shall permit any such issuance, renewal, extension or amendment resulting in an increase in the amount of any Letter of Credit to occur without first obtaining written confirmation from the Administrative Agent that it is then permitted under this Agreement.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date that is one (1) year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one (1) year after such renewal or extension) and (ii) the date that is five (5) Business Days prior to the earliest Revolving Facility Maturity Date with respect to the applicable Revolving Commitments (provided that, to the extent that all of the participations in such Letter of Credit held by the holders of such Revolving Commitments have been re-allocated or Cash Collateralized pursuant to the terms of any Extension Agreement or Refinancing Amendment, such Revolving Commitments shall be disregarded for purposes of this clause (ii)); provided that a Letter of Credit may expire after such earlier date if requested by the Borrower and agreed in the sole discretion of the applicable Issuing Lender so long as, on or prior to the applicable Revolving Facility Maturity Date, such Letter of Credit has been cash collateralized pursuant to arrangements reasonably acceptable to the applicable Issuing Lender and with the consent of the Administrative Agent (not to be unreasonably withheld or delayed).

(d) Participations. By the issuance of a Letter of Credit under the applicable Revolving Facility (or an amendment, renewal or extension of a Letter of Credit thereunder, including any amendment increasing the amount thereof), and without any further action on the part of the applicable Issuing Lender or the Lenders, such Issuing Lender hereby grants to each Lender under such Revolving Facility, and each Lender under such Revolving Facility hereby acquires from such Issuing Lender, a participation in such Letter of Credit equal to such Lender's applicable Revolving Commitment Percentage of the Dollar Amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender under the applicable Revolving Facility hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of such Issuing Lender, such Lender's applicable Revolving Commitment Percentage of the Dollar Amount of each LC Disbursement made by such Issuing Lender and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Lender under the applicable Revolving Facility acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit thereunder is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit thereunder or the occurrence of an Event of Default or reduction or termination of the Revolving Commitments thereunder, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If an Issuing Lender under the applicable Revolving Facility shall make any LC Disbursement in respect of a Letter of Credit thereunder, the Borrower shall reimburse

such LC Disbursement by paying to the Administrative Agent an amount equal to the Dollar Amount of such LC Disbursement or (subject to the two immediately succeeding sentences), with respect to any Letter of Credit denominated in an Alternative Currency, an amount equal to the amount of such LC Disbursement in the applicable Alternative Currency not later than the first Business Day following the date the Borrower receives notice of such LC Disbursement; provided that, in the case of any LC Disbursement made in Dollars, to the extent not reimbursed and, subject to the satisfaction (or waiver) of the conditions to borrowing set forth herein, including, without limitation, making a request in accordance with Section 2.03(a) that such payment shall be financed with an ABR Borrowing under the applicable Revolving Facility, as the case may be, in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Borrowing. If the Borrower's reimbursement of, or obligation to reimburse, any amounts in any Alternative Currency would subject the Administrative Agent, the applicable Issuing Lender or any applicable Lender to any stamp, duty, ad valorem charge or similar tax that would not be payable if such reimbursement were made or required to be made in Dollars, the Borrower shall pay the amount of any such tax requested by the Administrative Agent, the relevant Issuing Lender or Lender. If the Borrower fails to make such payment when due, then (i) if such payment relates to an Alternative Currency Letter of Credit, automatically and with no further action required, the Borrower's obligation to reimburse the applicable LC Disbursement shall be permanently converted into an obligation to reimburse the Dollar Amount of such LC Disbursement and (ii) the Administrative Agent shall promptly notify the applicable Issuing Lender of the applicable LC Disbursement and the Dollar Amount thereof.

If the Borrower fails to make any payment due under the preceding paragraph with respect to a Letter of Credit when due (including by a Borrowing), the Administrative Agent shall notify each Lender under the applicable Revolving Facility of the applicable LC Disbursement (as converted to Dollars, if applicable), the payment then due from the Borrower in respect thereof and such Lender's applicable Revolving Commitment Percentage thereof. Promptly following receipt of such notice, each Lender under the applicable Revolving Facility shall pay to the Administrative Agent its applicable Revolving Commitment Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.04 with respect to Revolving Loans thereunder (or with respect to the LC Tranche Facility, as if Revolving Loans were available thereunder in the same manner as provided for in Section 2.04 with respect to the ~~3-Year~~2024 Revolving Facility) made by such Lender (and Section 2.04 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Issuing Lender the amounts so received by it from the applicable Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this Section 2.02(e) with respect to any LC Disbursement, the Administrative Agent shall distribute such payment to the applicable Issuing Lender or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse such Issuing Lender, then to such Lenders and such Issuing Lender as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the applicable Issuing Lender for any LC Disbursement (other than the funding of ABR Revolving Loans as contemplated above) shall not constitute a Revolving Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section 2.02 shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the applicable Issuing Lender under a Letter of Credit against presentation of a draft or other document that does not comply with the

terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.02, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders, nor the applicable Issuing Lender, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the applicable Issuing Lender; provided that the foregoing shall not be construed to excuse an Issuing Lender from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Lender's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence, bad faith or willful misconduct on the part of the applicable Issuing Lender (as finally determined by a court of competent jurisdiction), the applicable Issuing Lender shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable Issuing Lender may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The applicable Issuing Lender shall, promptly following its receipt thereof or within the time period stipulated by the terms and conditions of the applicable Letter of Credit (if any), examine all documents purporting to represent a demand for payment under a Letter of Credit. After such examination of such drawing documents, the applicable Issuing Lender shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether the applicable Issuing Lender has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the applicable Issuing Lender and the Lenders under the applicable Revolving Facility with respect to any such LC Disbursement in accordance with the terms herein.

(h) Interim Interest. If the applicable Issuing Lender shall make any LC Disbursement, then, unless the Borrower shall reimburse (including by a Borrowing) such LC Disbursement in full not later than the first Business Day following the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans under the applicable Revolving Facility (or with respect to the LC Tranche Facility, as if Revolving Loans were available thereunder in the same manner as provided for in Section 2.04 with respect to the ~~3-Year~~ 2024 Revolving Facility); provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.08 shall apply; provided further that, in the case of an LC Disbursement made under a Letter of Credit in an Alternative Currency, the amount of interest due with respect thereto shall (i) in the case of any LC Disbursement that is reimbursed on the Business Day immediately succeeding such LC Disbursement, (A) be payable in the applicable Alternative Currency and (B) if not reimbursed on the date of such LC Disbursement, bear interest at a rate equal to the rate reasonably determined by the

applicable Issuing Lender to be the cost to such Issuing Lender of funding such LC Disbursement plus the Applicable Margin applicable to Eurodollar Revolving Loans under the applicable Revolving Facility at such time (or with respect to the LC Tranche Facility, as if Revolving Loans were available thereunder in the same manner as provided for in Section 2.04 with respect to the ~~3-Year~~2024 Revolving Facility) and (ii) in the case of any LC Disbursement that is reimbursed after the Business Day immediately succeeding such LC Disbursement (A) be payable in Dollars, (B) accrue on the Dollar Amount of such LC Disbursement and (C) bear interest as provided above. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Lender, except that interest accrued on and after the date of payment by any Lender pursuant to clause (e) of this Section 2.02 to reimburse the applicable Issuing Lender shall be for the account of such Lender to the extent of such payment.

(i) Replacement of the Issuing Lender. Any Issuing Lender may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Lender and the successor Issuing Lender. The Administrative Agent shall notify the Lenders under the applicable Revolving Facility of any such replacement of the Issuing Lender. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Lender pursuant to Section 2.21. From and after the effective date of any such replacement, (i) the successor Issuing Lender shall have all the rights and obligations of the Issuing Lender under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Lender" shall be deemed to refer to such successor or to any previous Issuing Lender, or to such successor and all previous Issuing Lenders, as the context shall require. After the replacement of an Issuing Lender hereunder, the replaced Issuing Lender shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Lender under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Replacement of Letters of Credit; Cash Collateralization. With respect to Letters of Credit issued under any Revolving Facility, the Borrower shall (i) upon or prior to the occurrence of the earlier of (A) the latest Revolving Facility Maturity Date with respect to all Revolving Commitments under such Revolving Facility and (B) the acceleration of the Revolving Loans (if any) under such Revolving Facility and the termination of the Revolving Commitments under such Revolving Facility in accordance with the terms hereof, (x) cause all Letters of Credit under such Revolving Facility which expire after the earlier to occur of (1) the latest Revolving Facility Maturity Date with respect to all Revolving Commitments under such Revolving Facility and (2) the acceleration of the Revolving Loans (if any) under such Revolving Facility and the termination of the Revolving Commitments under such Revolving Facility, in accordance with the terms hereof (the "Outstanding Letters of Credit") to be returned to the applicable Issuing Lender undrawn and marked "cancelled" or (y) if the Borrower does not do so in whole or in part either (1) provide one or more "back-to-back" letters of credit to each applicable Issuing Lender with respect to any such Outstanding Letters of Credit in a form reasonably satisfactory to each such Issuing Lender and the Administrative Agent, issued by a bank reasonably satisfactory to each such Issuing Lender and the Administrative Agent, and/or (2) deposit cash in an account maintained with the Administrative Agent, as collateral security for the Borrower's reimbursement obligations in connection with any such Outstanding Letters of Credit, such cash (or any applicable portion thereof) to be promptly remitted to the Borrower (provided no Event of Default or event which upon notice or lapse of time or both would constitute an Event of Default has occurred or is continuing) upon the expiration, cancellation or other termination or satisfaction of the Borrower's reimbursement obligations with respect to such Outstanding Letters of Credit, in whole or in part; in an aggregate principal amount for all such "back-to-back" letters of credit and any such Cash Collateralization equal to the then outstanding amount of all LC Exposure (less the amount, if any, on deposit in such account prior to taking any action pursuant to clauses (1) or (2) above), and (ii) if required pursuant to Section 2.02(m), 2.12(b), 2.26(b)(ii),

2.26(c)(ii), 2.26(d), 2.27(b) or 7.01 or pursuant to any Extension Agreement or Refinancing Amendment, deposit in such account an amount required pursuant to Section 2.02(m), 2.12(b), 2.26(b)(ii), 2.26(c)(ii), 2.26(d), 2.27(b) or 7.01, or pursuant to any such Extension Agreement or Refinancing Amendment, as applicable; provided that the portions of such amount attributable to undrawn Alternative Currency Letters of Credit or LC Disbursements in an Alternative Currency that the Borrower is not late in reimbursing shall be deposited in the applicable Alternative Currencies in the actual amounts of such undrawn Letters of Credit and LC Disbursements (any such deposit described in the preceding clause (i) or clause (ii), "Cash Collateralization"). The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent (in accordance with its usual and customary practices for investments of this type) and at the Borrower's risk and reasonable expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the applicable Issuing Lender for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time. If the Borrower is required to provide Cash Collateralization hereunder pursuant to Section 2.02(m), 2.12(b), 2.26(b)(ii), 2.26(c)(ii), 2.26(d) or 2.27(b), or the terms of any Extension Agreement or Refinancing Amendment, such Cash Collateralization (to the extent not applied as contemplated by the applicable section) shall be returned to the Borrower within three (3) Business Days after the applicable section (or Extension Agreement or Refinancing Amendment, as applicable) no longer requires the provision of such Cash Collateralization.

(k) Issuing Lender Agreements. Unless otherwise requested by the Administrative Agent, each Issuing Lender under any Revolving Facility shall report in writing to the Administrative Agent (i) on the first Business Day of each week, the daily activity (set forth by day) in respect of Letters of Credit thereunder during the immediately preceding week, including all issuances, extensions, amendments and renewals, all expirations and cancellations and all disbursements and reimbursements, (ii) on or prior to each Business Day on which such Issuing Lender expects to issue, amend, renew or extend any Letter of Credit, the date of such issuance, amendment, renewal or extension, the aggregate face amount of the Letters of Credit to be issued, amended, renewed, or extended by it (and whether, subject to Section 2.02(b), the face amount of any such Letter of Credit was changed thereby) and the aggregate face amount of such Letters of Credit outstanding under any Revolving Facility after giving effect to such issuance, amendment, renewal or extension, (iii) on each Business Day on which such Issuing Lender makes any LC Disbursement, the date of such LC Disbursement and the amount of such LC Disbursement, (iv) on any Business Day on which a Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Lender on such day, the date of such failure, and the amount of such LC Disbursement and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request.

(l) Conversion. In the event that the Revolving Loans under any Revolving Facility become immediately due and payable on any date pursuant to Section 7.01, all amounts (i) that the Borrower is at the time or thereafter becomes required to reimburse or otherwise pay to the Administrative Agent in respect of LC Disbursements made under any Alternative Currency Letter of Credit thereunder (other than amounts in respect of which such Borrower has deposited cash collateral pursuant to Section 2.02(j), if such cash collateral is deposited in the applicable Alternative Currency to the extent so deposited or applied), (ii) that the Lenders thereunder are at the time or thereafter become required to pay to the Administrative Agent and the Administrative Agent is at the time or thereafter becomes required to distribute to the applicable Issuing Lender pursuant to Section 2.02(e) in respect of unreimbursed LC Disbursements made under any Alternative Currency Letter of Credit thereunder and (iii) of each Lender's participation in any Alternative Currency Letter of Credit under which an LC

Disbursement thereunder has been made shall, automatically and with no further action required, be converted into the Dollar Amount of such amounts. On and after such conversion, all amounts accruing and owed to the Administrative Agent, the applicable Issuing Lender or any Lender under the applicable Revolving Facility in respect of the Obligations described in this paragraph shall accrue and be payable in Dollars at the rates otherwise applicable hereunder.

(m) Provisions Related to Extended Revolving Commitments and Commitments in Respect of Refinancing Revolving Facilities. If the maturity date in respect of any tranche of Revolving Commitments occurs prior to the expiration of any Letter of Credit under the applicable Revolving Facility with respect to which Lenders holding such Revolving Commitments hold participation interests, then (i) if one or more other tranches of Revolving Commitments in respect of which the maturity date shall not have occurred are then in effect, such Letters of Credit shall automatically be deemed to have been issued (including for purposes of the obligations of the Lenders under such Revolving Facility to purchase participations therein and to make payments in respect thereof pursuant to Section 2.02(d) or (e) and for any reallocations required pursuant to Section 2.26(b)(i)) under (and ratably participated in by Lenders thereunder pursuant to) the Revolving Commitments in respect of such non-terminating tranches up to an aggregate amount not to exceed the aggregate principal amount of the unutilized Revolving Commitments thereunder at such time (it being understood that no partial face amount of any Letter of Credit may be so reallocated) and (ii) to the extent not reallocated pursuant to the immediately preceding clause (i), the Borrower shall cash collateralize any such Letter of Credit in accordance with Section 2.02(j). For the avoidance of doubt, commencing with the maturity date of any tranche of Revolving Commitments under the applicable Revolving Facility, the sublimit for Letters of Credit under any tranche of Revolving Commitments under such Revolving Facility that has not so then matured shall be as agreed in the relevant Extension Agreement or Refinancing Amendment, as applicable, with such Lenders (to the extent such Extension Agreement or Refinancing Amendment so provides).

(n) Existing Letters of Credit. On the Amendment No. 1 Effective Date, the Existing Letters of Credit shall be deemed Letters of Credit under the LC Tranche Facility issued under this Section 2.02 and subject to the provisions hereof, without the need for any further action by the Borrower or any other Person (and without the payment of any fees otherwise due upon the issuance of a Letter of Credit).

#### SECTION 2.03. Requests for Borrowings.

(a) Unless otherwise agreed to by the Administrative Agent in connection with making the initial Revolving Loans on the Closing Date, if any, to request a Borrowing of Revolving Loans under the applicable Revolving Facility, the Borrower shall notify the Administrative Agent of such request by telephone (i) in the case of a Eurodollar Borrowing, not later than 2:00 p.m., New York City time, three (3) Business Days before the date of the proposed Borrowing and (ii) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing; provided that any such notice of an ABR Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.02(e) may be given not later than 12:00 noon, New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.01(a):

- (i) the aggregate amount of the requested Borrowing (which shall comply with Section 2.01(c));
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

- (iv) whether such Borrowing is under the ~~3-Year~~2024 Revolving Facility or the ~~5-Year~~2023 Revolving Facility; and
- (v) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period".

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section 2.03(a), the Administrative Agent shall advise each Lender under the applicable Revolving Facility of the details thereof and of the amount of such Lender's Revolving Loan under such Revolving Facility to be made as part of the requested Borrowing.

SECTION 2.04. Funding of Borrowings. (a) Each Lender under the applicable Revolving Facility shall make each Revolving Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 2:00 p.m., New York City time, or such earlier time as may be reasonably practicable, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. Upon satisfaction or waiver of the conditions precedent specified herein, the Administrative Agent will make such Revolving Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower designated by the Borrower in the applicable Borrowing Request; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.02(e) shall be remitted by the Administrative Agent to the Issuing Lender.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing (or, with respect to any ABR Borrowing made on same-day notice, prior to 12:00 noon, New York City time, on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraphs (a) and/or (b) of this Section 2.04 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith upon written demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate otherwise applicable to such Borrowing. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Revolving Loan included in such Borrowing.

SECTION 2.05. Interest Elections. (a) The Borrower may elect from time to time to (i) convert ABR Revolving Loans to Eurodollar Revolving Loans, (ii) convert Eurodollar Revolving Loans to ABR Revolving Loans, provided that any such conversion of Eurodollar Revolving Loans may only be made on the last day of an Interest Period with respect thereto or (iii) continue any Eurodollar Revolving Loan as such upon the expiration of the then current Interest Period with respect thereto.

(b) To make an Interest Election Request pursuant to this Section 2.05, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03(a) if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic

Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.01:

(i) the Borrowing to which such Interest Election Request applies (including whether such Borrowing is under the ~~3-Year~~2024 Revolving Facility or the ~~5-Year~~2023 Revolving Facility) and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, and upon the request of the Required Lenders, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

**SECTION 2.06. Limitation on Eurodollar Tranches.** Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Revolving Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Revolving Loans comprising each Eurodollar Tranche shall be equal to \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof and (b) no more than twenty (20) Eurodollar Tranches shall be outstanding at any one time.

**SECTION 2.07. Interest on Revolving Loans.**

(a) Subject to the provisions of Section 2.08, each ABR Revolving Loan shall bear interest (computed on the basis of the actual number of days elapsed over a year of three hundred sixty



(360) days or, when the Alternate Base Rate is based on the Prime Rate, a year with three hundred sixty five (365) days or three hundred sixty six (366) days in a leap year) at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin.

(b) Subject to the provisions of Section 2.08, each Eurodollar Revolving Loan shall bear interest (computed on the basis of the actual number of days elapsed over a year of three hundred sixty (360) days) at a rate per annum equal, during each Interest Period applicable thereto, to the LIBO Rate for such Interest Period in effect for such Borrowing plus the Applicable Margin.

(c) Accrued interest on all Revolving Loans shall be payable in arrears on each Interest Payment Date applicable thereto, on the Termination Date with respect to such Revolving Loans or the related Revolving Commitments and thereafter on written demand and (with respect to Eurodollar Revolving Loans) upon any repayment or prepayment thereof (on the amount repaid or prepaid); provided that in the event of any conversion of any Eurodollar Revolving Loan to an ABR Revolving Loan, accrued interest on such Revolving Loan shall be payable on the effective date of such conversion.

SECTION 2.08. Default Interest. If the Borrower shall default in the payment of the principal of or interest on any Revolving Loan or in the payment of any fee becoming due hereunder or in the reimbursement pursuant to Section 2.02(e) of any LC Disbursement, whether at stated maturity, by acceleration or otherwise, the Borrower shall on written demand of the Administrative Agent (which written demand shall be given at the request of the Required Lenders) from time to time pay interest, to the extent permitted by law, on all overdue amounts up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum (computed on the basis of the actual number of days elapsed over a year of three hundred sixty (360) days or, when the Alternate Base Rate is applicable and is based on the Prime Rate, a year of three hundred sixty five (365) days or three hundred sixty six (366) days in a leap year) equal to (a) with respect to the principal amount of any Revolving Loan, the rate then applicable for such Borrowings plus 2.0%, and (b) with respect to interest, fees and reimbursement of LC Disbursements, the rate applicable for ABR Revolving Loans plus 2.0%.

SECTION 2.09. Alternate Rate of Interest.

(a) ~~In~~ Subject to Sections 2.09(b)-(g), in the event, and on each occasion, that on the date that is two (2) Business Days prior to the commencement of any Interest Period for a Eurodollar Revolving Loan, the Administrative Agent shall have reasonably determined (which determination shall be conclusive and binding upon the Borrower absent manifest error) that reasonable means do not exist for ascertaining the applicable LIBO Rate (including because the LIBO Screen Rate is not available or published on a current basis), the Administrative Agent shall, as soon as practicable thereafter, give written, facsimile or telegraphic notice of such determination to the Borrower and the Lenders and, until the circumstances giving rise to such notice no longer exist, any request by the Borrower for a Borrowing of Eurodollar Revolving Loans hereunder (including pursuant to a refinancing with Eurodollar Revolving Loans and including any request to continue, or to convert to, Eurodollar Revolving Loans) shall be deemed a request for a Borrowing of ABR Revolving Loans; provided that no Benchmark Transition Event shall have occurred at such time.

~~(b) Notwithstanding the foregoing, if at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in this Section 2.09 have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in this Section 2.09 have not arisen but the supervisor for the administrator of the LIBO Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBO Screen Rate shall no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall~~

endeavor to establish an alternate rate of interest to the LIBO Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable; provided that, if such alternate rate of interest as so determined would be less than 1.00%, such rate shall be deemed to be 1.00% for the purposes of this Agreement. Notwithstanding anything to the contrary in Section 10.08, such amendment shall become effective without any further action or consent of any Lender so long as the Administrative Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (b) (but, in the case of the circumstances described in clause (ii) of the first sentence of this Section 2.09(b), only to the extent the LIBO Screen Rate for such Interest Period is not available or published at such time on a current basis), any request by the Borrower for a Borrowing of Eurodollar Revolving Loans hereunder (including pursuant to a refinancing with Eurodollar Revolving Loans and including any request to continue, or to convert to, Eurodollar Revolving Loans) shall be deemed a request for a Borrowing of ABR Revolving Loans.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election or an Other Benchmark Rate Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the tenth (10th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(c) Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that, this clause (c) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term SOFR Notice. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term SOFR Notice after the occurrence of a Term SOFR Transition Event and may do so in its sole discretion.

(d) In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(e) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, an Early Opt-in Election or an Other Benchmark Rate Election, as applicable, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (f) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.09, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.09.

(f) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or LIBO Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(g) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Borrowing of, conversion to or continuation of Eurodollar Revolving Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, either (x) the Borrower will be deemed to have converted any request for a Eurodollar Revolving Loan Borrowing into a request for a Borrowing of or conversion to ABR Loans or (y) any Eurodollar Revolving Loan Borrowing shall be ineffective. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Alternate Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Alternate Base Rate. Furthermore, if any Eurodollar Revolving Loan is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Eurodollar Revolving Loan, then until such time as a Benchmark Replacement is implemented pursuant to this Section 2.09, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), such Loan shall be converted by the Administrative Agent to, and shall constitute, an ABR Loan on such day.

#### SECTION 2.10. Repayment of Revolving Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the ratable account of each Lender under the applicable Revolving Facility the then unpaid principal amount of each Revolving Loan then outstanding on the Termination Date applicable to such Revolving Loan.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Revolving Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts for each Revolving Facility in which it shall record (i) the amount of each Revolving Loan made hereunder under such Revolving Facility, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder under such Revolving Facility and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders under such Revolving Facility and each Lender's share thereof. The Borrower shall have the right, upon reasonable notice, to request information regarding the accounts referred to in the preceding sentence.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Revolving Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Revolving Loans made by it under any Revolving Facility be evidenced by a promissory note. In such event, the Borrower shall promptly execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) in a form furnished by the Administrative Agent and reasonably acceptable to the Borrower. Thereafter, the Revolving Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.02) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11. Optional Termination or Reduction of Revolving Commitments. Upon at least one (1) Business Day prior written notice to the Administrative Agent, the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Unused Total Revolving Commitment under any Revolving Facility; provided that each such notice shall be revocable to the extent such termination or reduction would have resulted from a refinancing of the Obligations, which refinancing shall not be consummated or shall otherwise be delayed. Each such reduction of the Unused Total Revolving Commitment under any Revolving Facility shall be in the principal amount not less than \$5,000,000 and in an integral multiple of \$1,000,000. Simultaneously with each reduction or termination of the applicable Revolving Commitment, the Borrower shall pay to the Administrative Agent for the account of each Lender under the applicable Revolving Facility the Commitment Fee accrued and unpaid on the amount of the applicable Revolving Commitment of such Lender so terminated or reduced through the date thereof. Any reduction of the Total Revolving Commitment under the applicable Revolving Facility pursuant to this Section 2.11 shall be applied to reduce the Revolving Commitment under such Revolving Facility of each Lender on a pro rata basis.

SECTION 2.12. Mandatory Prepayment of Revolving Loans and Mandatory Commitment Reductions; Commitment Termination.

(a) The Borrower shall prepay the Revolving Loans under any Revolving Facility (without any corresponding reduction in Revolving Commitments) in an amount necessary to comply with Section 6.03, in each case as directed by the Borrower.

(b) If at any time the Total ~~3-Year2024~~ Revolving Extensions of Credit for any reason exceed the Total ~~3-Year2024~~ Revolving Commitment at such time or the Total ~~5-Year2023~~ Revolving Extensions of Credit for any reason exceed the Total ~~5-Year2023~~ Revolving Commitment at such time, the Borrower shall prepay Revolving Loans under the applicable Revolving Facility on a pro rata basis in an amount sufficient to eliminate such excess. If, after giving effect to the prepayment of all outstanding Revolving Loans under the applicable Revolving Facility, the Total ~~3-Year2024~~ Revolving Extensions of Credit exceed the Total ~~3-Year2024~~ Revolving Commitment then in effect or the Total ~~5-Year2023~~ Revolving Extensions of Credit exceed the Total ~~5-Year2023~~ Revolving Commitment then in effect, the Borrower shall Cash Collateralize outstanding Letters of Credit under the applicable Revolving Facility to the extent of such excess.

(c) Upon the Termination Date applicable to any Revolving Commitment, such Revolving Commitment shall be terminated in full and the Borrower shall repay the applicable Revolving Loans in full and, except as the Administrative Agent may otherwise agree in writing, if any Letter of Credit remains outstanding under the applicable Revolving Facility, comply with Section 2.02(j) in accordance therewith.

(d) All prepayments under this Section 2.12 shall be accompanied by accrued but unpaid interest on the principal amount being prepaid to (but not including) the date of prepayment, plus any Fees and any losses, costs and expenses, as more fully described in Section 2.15 and 2.19 hereof.

#### SECTION 2.13. Optional Prepayment of Revolving Loans.

(a) The Borrower shall have the right, at any time and from time to time, to prepay any Revolving Loans under any Revolving Facility, in whole or in part, (i) with respect to Eurodollar Revolving Loans, upon (A) telephonic notice followed promptly by written or facsimile notice or (B) written or facsimile notice received by 1:00 p.m., New York City time, three (3) Business Days prior to the proposed date of prepayment and (ii) with respect to ABR Revolving Loans, upon written or facsimile notice received by 1:00 p.m., New York City time, one (1) Business Day prior to the proposed date of prepayment; provided that ABR Revolving Loans may be prepaid on the same day notice is given if such notice is received by the Administrative Agent by 12:00 noon, New York City time; provided further, however, that (A) each such partial prepayment shall be in an amount not less than \$5,000,000 and in integral multiples of \$1,000,000, (B) no prepayment of Eurodollar Revolving Loans shall be permitted pursuant to this Section 2.13(a) other than on the last day of an Interest Period applicable thereto unless such prepayment is accompanied by the payment of the amounts described in Section 2.15, and (C) no partial prepayment of a Borrowing of Eurodollar Revolving Loans shall result in the aggregate principal amount of the Eurodollar Revolving Loans remaining outstanding pursuant to such Borrowing being less than \$5,000,000.

(b) All prepayments under Section 2.13(a) shall be accompanied by accrued but unpaid interest on the principal amount being prepaid to (but not including) the date of prepayment, plus any Fees and any losses, costs and expenses, as more fully described in Sections 2.15 and 2.19 hereof.

(c) Each notice of prepayment shall specify the prepayment date, the applicable Revolving Facility, the principal amount of the Revolving Loans thereunder to be prepaid and, in the case of Eurodollar Revolving Loans, the Borrowing or Borrowings pursuant to which made, shall be irrevocable and shall commit the Borrower to prepay such Revolving Loan by the amount and on the date stated therein; provided that the Borrower may revoke any notice of prepayment under this Section 2.13 if such prepayment would have resulted from a refinancing of any or all of the Obligations hereunder, which refinancing shall not be consummated or shall otherwise be delayed. The Administrative Agent shall, promptly after receiving notice from the Borrower hereunder, notify each Lender under the

applicable Revolving Facility of the principal amount of the Revolving Loans held by such Lender which are to be prepaid, the prepayment date and the manner of application of the prepayment.

SECTION 2.14. Increased Costs. (a) If any Change in Law shall:

- (i) subject any Lender or Issuing Lender to any Taxes (other than (A) Indemnified Taxes or (B) Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or
- (ii) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement subject to Section 2.14(c)) or Issuing Lender; or
- (iii) impose on any Lender or Issuing Lender or the London interbank market any other condition (other than Taxes) affecting this Agreement or Eurodollar Revolving Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of converting any ABR Revolving Loan to a Eurodollar Revolving Loan or making, maintaining or continuing any Eurodollar Revolving Loan (or of maintaining its obligation to make any such Revolving Loan) or to increase the cost to such Lender or Issuing Lender of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or Issuing Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender or Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Lender, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or Issuing Lender reasonably determines in good faith that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Lender's capital or on the capital of such Lender's or Issuing Lender's holding company, if any, as a consequence of this Agreement or the Revolving Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Lender, to a level below that which such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Lender's policies and the policies of such Lender's or Issuing Lender's holding company with respect to capital adequacy or liquidity), then from time to time the Borrower will pay to such Lender or Issuing Lender, as the case may be, such additional amount or amounts, in each case as documented by such Lender or Issuing Lender to the Borrower as will compensate such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company for any such reduction suffered; it being understood that to the extent duplicative of the provisions in Section 2.16, this Section 2.14(b) shall not apply to Taxes.

(c) The Borrower shall pay to each Lender (i) as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurodollar funds or deposits, additional interest on the unpaid principal amount of each Eurodollar Revolving Loan equal to the actual costs of such reserves allocated to such Revolving Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive in the absence of manifest error) and (ii) as long as such Lender shall be required to comply with any reserve ratio requirement or analogous requirement of any other central banking or financial regulatory authority imposed in respect of the maintenance of the Revolving Commitments or the funding of the Eurodollar Revolving Loans, such additional costs (expressed as a percentage per annum and rounded upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Revolving Commitment or Revolving

Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive absent manifest error) which in each case shall be due and payable on each date on which interest is payable on such Revolving Loan, provided the Borrower shall have received at least fifteen (15) days' prior notice (with a copy to the Administrative Agent, and which notice shall specify the Statutory Reserve Rate, if any, applicable to such Lender) of such additional interest or cost from such Lender. If a Lender fails to give notice fifteen (15) days prior to the relevant Interest Payment Date, such additional interest or cost shall be due and payable fifteen (15) days from receipt of such notice.

(d) A certificate of a Lender or Issuing Lender setting forth the amount or amounts necessary to compensate such Lender or Issuing Lender or its holding company, as the case may be, as specified in paragraph (a), (b) or (c) of this Section 2.14 shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or Issuing Lender, as the case may be, the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

(e) Failure or delay on the part of any Lender or Issuing Lender to demand compensation pursuant to this Section 2.14 shall not constitute a waiver of such Lender's or Issuing Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or Issuing Lender pursuant to this Section 2.14 for any increased costs or reductions incurred more than one hundred eighty (180) days prior to the date that such Lender or Issuing Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the one hundred eighty (180) day period referred to above shall be extended to include the period of retroactive effect thereof. The protection of this Section 2.14 shall be available to each Lender regardless of any possible contention as to the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed.

(f) Any determination by a Lender or Issuing Lender of amounts owed pursuant to this Section 2.14 to such Lender or Issuing Lender due to any Change in Law, pursuant to the proviso in the definition thereof shall be made in good faith in a manner generally consistent with such Lender's or Issuing Lender's standard practice.

**SECTION 2.15. Break Funding Payments.** In the event of (a) the payment of any principal of any Eurodollar Revolving Loan other than on the last day of an Interest Period applicable thereto (including as a result of the occurrence and continuance of an Event of Default), (b) the failure to borrow, convert, continue or prepay any Eurodollar Revolving Loan on the date specified in any notice delivered pursuant hereto, or (c) the assignment of any Eurodollar Revolving Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18 or Section 10.08(d), then, in any such event, at the request of such Lender, the Borrower shall compensate such Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount reasonably determined in good faith by such Lender or Issuing Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Revolving Loan had such event not occurred, at the applicable rate of interest for such Revolving Loan (excluding, however the Applicable Margin included therein, if any), for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Revolving Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.15 shall be delivered to the Borrower and shall be conclusive absent manifest

error. The Borrower shall pay such Lender the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

**SECTION 2.16. Taxes.** (a) Any and all payments by or on account of any Obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if any Indemnified Tax or Other Taxes are required to be withheld from any amounts payable to a Recipient, as determined in good faith by the applicable Withholding Agent, then (i) the sum payable by the Borrower shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.16), such Recipient receives an amount equal to the sum it would have received had no such deductions been made, (ii) the applicable Withholding Agent shall make such deductions and (iii) the applicable Withholding Agent shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition (and without duplication of any payments with respect to Other Taxes pursuant to Section 2.16(a)), the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify each Recipient within thirty (30) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by or on behalf of such Recipient on or with respect to any payment by or on account of any obligation of the Borrower hereunder or under any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.16) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. After a Recipient learns of the imposition of Indemnified Taxes or Other Taxes, such party will act in good faith to notify the Borrower promptly of its obligations thereunder. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or Issuing Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or Issuing Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.16, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment to the extent available, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Each Lender and Issuing Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Taxes attributable to such Lender or Issuing Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Taxes and without limiting the obligation of the Borrower to do so) and (ii) any Taxes attributable to such Lender's or Issuing Lender's failure to comply with the provisions of Section 10.02(d) relating to the maintenance of a Participant Register, in either case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender or Issuing Lender (as the case may be) by the Administrative Agent shall be conclusive absent manifest error. Each Lender and Issuing Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender or Issuing Lender (as the case may be) from any other source against any amount due to the Administrative Agent under this paragraph (e).



(f) Any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments under this Agreement or any other Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or as reasonably requested by the Borrower, such properly completed and executed documentation prescribed by applicable law or requested by the Borrower as will (i) enable the Borrower to determine whether such Lender is subject to backup withholding or information reporting requirements, and (ii) permit such payments to be made without withholding or at a reduced rate; provided that a Foreign Lender shall not be required to deliver any documentation pursuant to this Section 2.16(f) that such Foreign Lender is not legally able to deliver.

(g) (i) Without limiting the generality of Section 2.16(f),

(A) any Lender that is a U.S. Person (as such term is defined in Section 7701(a)(30) of the Code) shall deliver to the Administrative Agent (and the Borrower at its request) on or prior to the date on which such Lender becomes a party under this Agreement (and from time to time thereafter when the previously delivered certificates and/or forms expire, or upon the reasonable request of the Borrower or the Administrative Agent), executed copies of Internal Revenue Service Form W-9 (or any successor form) certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Administrative Agent (in such number of copies as shall be requested by the recipient) (and the Borrower at its request) on or prior to the date on which such Foreign Lender becomes a party under this Agreement (and from time to time thereafter when the previously delivered certificates and/or forms expire, or upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party, executed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable;

(2) executed copies of Internal Revenue Service Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the Form of Exhibit C-1 to the effect that (i) such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Code, and (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code, and (ii) the interest payments in question are not effectively connected with the United States trade or business conducted by such Lender (a "U.S. Tax Compliance Certificate") and (y) duly completed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable;

(4) to the extent a Foreign Lender is not the beneficial owner (for example, where the Foreign Lender is a partnership or participating bank granting a typical participation), an Internal Revenue Service Form W-8IMY, accompanied by a Form W-8ECI, W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-2 or C-3 (as applicable), Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that, if the Foreign Lender is a partnership (and not a participating bank) and one or more beneficial owners

of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-4 on behalf of each such beneficial owner; or

(5) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made.

If the Administrative Agent is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, the Administrative Agent shall deliver to the Borrower, on or prior to the date on which it becomes the Administrative Agent (and from time to time thereafter when the previously delivered forms expire, or upon the reasonable request of the Borrower), such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding.

The Administrative Agent and each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(ii) If a payment made to a Lender under this Agreement or any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower or the Administrative Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (2), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(h) If the Administrative Agent or a Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.16, it shall pay over an amount equal to such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.16 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender incurred in obtaining such refund (including Taxes imposed with respect to such refund) and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the Administrative Agent or any Lender be required to pay any amount to the Borrower pursuant to this paragraph (h) if, and then only to the extent, the payment of such amount would place the Administrative Agent or Lender in a less

favorable net after-Tax position than the Administrative Agent or Lender would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

**SECTION 2.17. Payments Generally; Pro Rata Treatment.**

(a) The Borrower shall make each payment or prepayment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.14 or 2.15, or otherwise) prior to 1:00 p.m., New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the reasonable discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 383 Madison Avenue, New York, New York 10179, pursuant to wire instructions to be provided by the Administrative Agent, except payments to be made directly to an Issuing Lender as expressly provided herein and except that payments pursuant to Sections 2.14, 2.15 and 10.04 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in the applicable currency.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all Obligations then due hereunder, such funds shall be applied (i) first, towards payment of Fees and expenses then due under Sections 2.19 and 10.04 payable to the Administrative Agent, (ii) second, towards payment of Fees and expenses then due under Sections 2.20, 2.21 and 10.04 payable to the Agents, the Lenders and the Issuing Lenders and towards payment of interest then due on account of the Revolving Loans and Letters of Credit, ratably among the parties entitled thereto in accordance with the amounts of such Fees and expenses and interest then due to such parties and (iii) third, towards payment of (A) principal of the Revolving Loans and unreimbursed LC Disbursements then due hereunder, (B) any Designated Banking Product Obligations then due, to the extent such Designated Banking Product Obligations constitute "Obligations" hereunder, and (C) any Designated Hedging Obligations then due, to the extent such Designated Hedging Obligations constitute "Obligations" hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal, and unreimbursed LC Disbursements, Designated Banking Product Obligations constituting Obligations and Designated Hedging Obligations constituting Obligations then due to such parties.

(c) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the applicable Issuing Lender, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the applicable Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(d) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.02(d), 2.02(e), 2.04(a), 8.04 or 10.04(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

(e) Pro Rata Treatment. (i) Each payment by the Borrower of interest in respect of the Revolving Loans of any Class shall be applied to the amounts of such obligations owing to the Lenders of such Class pro rata according to the respective amounts then due and owing to the Lenders.

(ii) Each payment (including each prepayment) by the Borrower on account of principal of the Revolving Loans under the applicable Revolving Facility shall be made pro rata according to the respective outstanding principal amounts of the Revolving Loans then held by the Lenders under such Revolving Facility.

SECTION 2.18. Mitigation Obligations; Replacement of Lenders. (a) If the Borrower is required to pay any additional amount or indemnification payment to any Lender under Section 2.14 or to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Revolving Loans hereunder, to assign its rights and obligations hereunder to another of its offices, branches or affiliates or to file any certificate or document reasonably requested by the Borrower, if, in the judgment of such Lender, such designation, assignment or filing (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or 2.16, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense (other than immaterial costs and expenses) and would not otherwise be materially disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If, after the date hereof, any Lender requests compensation under Section 2.14 or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, or becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.02), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) such Lender shall have received payment of an amount equal to the outstanding principal of its Revolving Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts due, owing and payable to it hereunder at such time, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (ii) in the case of payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(c) Each party hereto agrees that (a) an assignment required pursuant to this Section 2.18 may be effected pursuant to an Assignment and Acceptance executed by the Borrower, the Administrative Agent and the assignee and (b) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such

assignment as reasonably requested by the applicable Lender; provided, further that any such documents shall be without recourse to or warranty by the parties thereto.

SECTION 2.19. Certain Fees. The Borrower shall pay (a) to the Lenders (or their affiliates) party thereto the fees set forth in that certain Upfront Fee Letter dated as of March 30, 2018 among such Lenders (or their affiliates) and the Borrower at the times set forth therein and (b) to the Administrative Agent the fees set forth in that certain Administrative Agent Fee Letter dated as of March 30, 2018 between the Administrative Agent and the Borrower, in each case at the times set forth therein.

SECTION 2.20. Commitment Fee and Upfront Fees.

(a) The Borrower shall pay to the Administrative Agent for the accounts of the Lenders under each Revolving Facility a commitment fee (the "Commitment Fee") for the period commencing on the Amendment No. 1 Effective Date to the applicable Termination Date or the earlier date of termination of the applicable Revolving Commitment under such Revolving Facility, computed (on the basis of the actual number of days elapsed over a year of three hundred sixty (360) days) at the Commitment Fee Rate on the average daily Unused Total Revolving Commitment with respect to such Revolving Facility. Such Commitment Fee, to the extent then accrued, shall be payable (i) on the last Business Day of each March, June, September and December, (ii) on the LC Tranche Facility Termination Date with respect to the LC Tranche Commitments, on the ~~3-Year2024~~ Revolving Facility Termination Date with respect to the ~~3-Year2024~~ Revolving Commitments and on the ~~5-Year2023~~ Revolving Facility Termination Date with respect to the ~~5-Year2023~~ Revolving Commitments, and (iii) as provided in Section 2.11 hereof, upon any reduction or termination in whole or in part of the Total LC Tranche Commitment, Total ~~3-Year2024~~ Revolving Commitment or the Total ~~5-Year2023~~ Revolving Commitment, as applicable.

(b) The Borrower shall pay on the Closing Date (x) to each Lender under the ~~3-Year2024~~ Revolving Facility as of such date, as compensation for providing the ~~3-Year2024~~ Revolving Commitments, an upfront fee (the "~~3-Year2024~~ Upfront Fee") in an amount equal to 0.15% of such Lender's ~~3-Year2024~~ Revolving Commitment on the Closing Date and (y) to each Lender under the ~~5-Year2023~~ Revolving Facility as of such date, as compensation for providing the ~~5-Year2023~~ Revolving Commitments, an upfront fee (the "~~5-Year2023~~ Upfront Fee") and, together with the ~~3-Year2024~~ Upfront Fee, the "Upfront Fees") in an amount equal to 0.25% of such Lender's ~~5-Year2023~~ Revolving Commitment on the Closing Date. The Upfront Fees shall be in all respects fully earned, due and payable on the Closing Date and non-refundable and non-creditable thereafter.

SECTION 2.21. Letter of Credit Fees(a) . The Borrower shall pay with respect to each Letter of Credit under the applicable Revolving Facility (i) to the Administrative Agent for the account of the Lenders under such Revolving Facility a fee calculated (on the basis of the actual number of days elapsed over a year of three hundred sixty (360) days) at the per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Revolving Loans under such Revolving Facility on the daily average LC Exposure under such Revolving Facility (excluding any portion thereof attributable to unreimbursed LC Disbursements), to be shared ratably among the Lenders under such Revolving Facility and (ii) to each Issuing Lender (with respect to each Letter of Credit issued by it), such Issuing Lender's customary fees for issuance, amendments and processing referred to in Section 2.02. In addition, the Borrower agrees to pay each Issuing Lender for its account a fronting fee of 0.125% per annum in respect of each Letter of Credit issued by such Issuing Lender, for the period from and including the date of issuance of such Letter of Credit to and including the date of termination of such Letter of Credit. Accrued fees described in this paragraph in respect of each Letter of Credit under the applicable Revolving Facility shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December and on the LC Tranche Facility Termination Date with

respect to LC Tranche Commitments, the ~~3-Year~~2024 Revolving Facility Termination Date with respect to ~~3-Year~~2024 Revolving Commitments and on the ~~5-Year~~2023 Revolving Facility Termination Date with respect to ~~5-Year~~2023 Revolving Commitments.

SECTION 2.22. Nature of Fees. All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent or the Arrangers, as applicable, as provided herein and in the fee letters described in Section 2.19. Once paid, none of the Fees shall be refundable under any circumstances.

SECTION 2.23. Right of Set-Off. Upon the occurrence and during the continuance of any Event of Default pursuant to Section 7.01(b), the Administrative Agent and each Lender (and their respective banking Affiliates) is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final but excluding deposits in the Escrow Accounts, Payroll Accounts and other accounts, in each case, held in trust for an identified beneficiary) at any time held and other indebtedness at any time owing by the Administrative Agent and each such Lender (or any of such banking Affiliates) to or for the credit or the account of the Borrower against any and all of any such overdue amounts owing to such Lender (or any of such banking Affiliates) or the Administrative Agent under the Loan Documents, irrespective of whether or not the Administrative Agent or such Lender shall have made any demand under any Loan Document; provided that each Lender agrees promptly to notify the Administrative Agent after any such set off and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such setoff and application; provided, further, that in the event that any Defaulting Lender exercises any such right of setoff, (x) all amounts so set off will be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.26(e) and, pending such payment, will be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Lenders and the Lenders and (y) the Defaulting Lender will provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. Each Lender and the Administrative Agent agree promptly to notify the Borrower after any such set-off and application made by such Lender or the Administrative Agent (or any of such banking Affiliates), as the case may be, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and the Administrative Agent under this Section 2.23 are in addition to other rights and remedies which such Lender and the Administrative Agent may have upon the occurrence and during the continuance of any Event of Default.

SECTION 2.24. [Reserved].

SECTION 2.25. Payment of Obligations. Subject to the provisions of Section 7.01, upon the maturity (whether by acceleration or otherwise) of any of the Obligations under this Agreement or any of the other Loan Documents of the Borrower, the Lenders shall be entitled to immediate payment of such Obligations.

SECTION 2.26. Defaulting Lenders. (a) Anything herein to the contrary notwithstanding, no Defaulting Lender shall be entitled to receive any fees accruing pursuant to Section 2.20(a) and 2.21 during the period that such Lender is a Defaulting Lender (without prejudice to the rights of the Non-Defaulting Lenders in respect of such fees), provided that (1) to the extent that all or a portion of the LC Exposure with respect to a Revolving Facility of such Defaulting Lender is reallocated to the Non-Defaulting Lenders under such Revolving Facility pursuant to Section 2.26(b)(i), such fees that would have accrued for the benefit of such Defaulting Lender shall instead accrue for the benefit of and

be payable to such Non-Defaulting Lenders, pro rata in accordance with their respective Revolving Commitments under such Revolving Facility, and (2) to the extent that all or any portion of such LC Exposure cannot be so reallocated and is not Cash Collateralized in accordance with Section 2.26(b)(ii), such fees shall instead accrue for the benefit of and be payable to the Issuing Lenders as their interests appear (and the applicable pro rata payment provisions under this Agreement shall automatically be deemed adjusted to reflect the provisions of this Section).

(b) If any LC Exposure with respect to a Revolving Facility exists at the time a Lender under such Revolving Facility becomes a Defaulting Lender then:

(i) the LC Exposure under such Revolving Facility of such Defaulting Lender will, upon notice by the Administrative Agent, and subject in any event to the limitation in the first proviso below, automatically be reallocated (effective on the day such Lender becomes a Defaulting Lender) among the Non-Defaulting Lenders under such Revolving Facility pro rata in accordance with their respective Revolving Commitments thereunder; provided that (A) the Revolving Extensions of Credit under such Revolving Facility of each such Non-Defaulting Lender may not in any event exceed the Revolving Commitment under such Revolving Facility of such Non-Defaulting Lender as in effect at the time of such reallocation, (B) subject to Section 10.16, such reallocation will not constitute a waiver or release of any claim the Borrower, the Administrative Agent, the Issuing Lenders or any other Lender may have against such Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation and (C) neither such reallocation nor any payment by a Non-Defaulting Lender as a result thereof will cause such Defaulting Lender to be a Non-Defaulting Lender; and

(ii) to the extent that any portion (the "unreallocated portion") of the Defaulting Lender's LC Exposure under the applicable Revolving Facility cannot be so reallocated, whether by reason of the first proviso in clause (i) above or otherwise, the Borrower will, not later than three (3) Business Days after demand by the Administrative Agent, (A) Cash Collateralize the obligations of the Borrower to the Issuing Lenders in respect of such LC Exposure in an amount at least equal to the aggregate amount of the unreallocated portion of such LC Exposure or (B) make other arrangements satisfactory to the Administrative Agent and the Issuing Lenders in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender.

(c) In addition to the other conditions precedent set forth in this Agreement, if any Lender under the applicable Revolving Facility becomes, and during the period it remains, a Defaulting Lender, no Issuing Lender shall be required to issue any Letter of Credit or to amend any outstanding Letter of Credit under such Revolving Facility, unless:

(i) in the case of a Defaulting Lender, the LC Exposure under such Revolving Facility of such Defaulting Lender is reallocated, as to outstanding and future Letters of Credit, to the Non-Defaulting Lenders under such Revolving Facility as provided in Section 2.26(b)(i), and

(ii) to the extent full reallocation does not occur as provided in clause (i) above, without limiting the provisions of Section 2.26(d), the Borrower Cash Collateralizes the obligations of the Borrower in respect of such Letter of Credit in an amount at least equal to the aggregate amount of the obligations (contingent or otherwise) of such Defaulting Lender in respect of such Letter of Credit, or makes other arrangements satisfactory to the Administrative Agent and such Issuing Lenders in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender, or

(iii) to the extent that neither reallocation nor Cash Collateralization occurs pursuant to clauses (i) or (ii), then in the case of a proposed issuance of a Letter of Credit under the applicable Revolving Facility, by an instrument or instruments in form and substance satisfactory to the Administrative Agent, and to such Issuing Lender, as the case may be, (A) the Borrower agrees that the face amount of such requested Letter of Credit will be reduced by an amount equal to the portion thereof as to which such Defaulting Lender would otherwise be liable, and (B) the Non-Defaulting Lenders under such Revolving Facility confirm, in their discretion, that their obligations in respect of such Letter of Credit shall be on a pro rata basis in accordance with the Revolving Commitments under such Revolving Facility of the Non-Defaulting Lenders, and that the applicable pro rata payment provisions under this Agreement will be deemed adjusted to reflect this provision (provided that nothing in this clause (iii) will be deemed to increase the Revolving Commitments of any Lender, nor to constitute a waiver or release of any claim the Borrower, the Administrative Agent, any Issuing Lender or any other Lender may have against such Defaulting Lender, nor to cause such Defaulting Lender to be a Non-Defaulting Lender).

(d) If any Lender under the applicable Revolving Facility becomes, and during the period it remains, a Defaulting Lender and if any Letter of Credit under such Revolving Facility is at the time outstanding, the applicable Issuing Lender may (except to the extent the applicable Revolving Commitments of such Defaulting Lender have been fully reallocated pursuant to Section 2.26(b)(i)), by notice to the Borrower and such Defaulting Lender through the Administrative Agent, require the Borrower to Cash Collateralize the obligations of the Borrower to such Issuing Lender in respect of such Letter of Credit in an amount at least equal to the aggregate amount of the obligations (contingent or otherwise) of such Defaulting Lender in respect thereof, or to make other arrangements satisfactory to the Administrative Agent and such Issuing Lender in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender.

(e) Any amount paid by the Borrower or otherwise received by the Administrative Agent for the account of a Defaulting Lender with respect to any Revolving Facility under this Agreement (whether on account of principal, interest, fees, indemnity payments or other amounts) will not be paid or distributed to such Defaulting Lender, but shall instead be retained by the Administrative Agent in a segregated account until (subject to Section 2.26(f)) the termination of the applicable Revolving Commitments and payment in full of all obligations of the Borrower hereunder under the applicable Revolving Facility and will be applied by the Administrative Agent, to the fullest extent permitted by law, to the making of payments from time to time in the following order of priority: First to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent under the applicable Revolving Facility, second to the payment of any amounts owing by such Defaulting Lender to the Issuing Lenders under this Agreement under the applicable Revolving Facility, third to the payment of the default interest and then current interest due and payable to the Lenders which are Non-Defaulting Lenders under the applicable Revolving Facility hereunder, ratably among them in accordance with the amounts of such interest then due and payable to them, fourth to the payment of fees then due and payable to the Non-Defaulting Lenders under the applicable Revolving Facility hereunder, ratably among them in accordance with the amounts of such fees then due and payable to them, fifth to pay principal and unreimbursed LC Disbursements under the applicable Revolving Facility then due and payable to the Non-Defaulting Lenders under such Revolving Facility hereunder ratably in accordance with the amounts thereof then due and payable to them, sixth to the ratable payment of other amounts then due and payable to the Non-Defaulting Lenders under the applicable Revolving Facility, and seventh after the termination of the applicable Revolving Commitments and payment in full of all obligations of the Borrower under the applicable Revolving Facility, to pay amounts owing under this Agreement to such Defaulting Lender or as a court of competent jurisdiction may otherwise direct.



(f) If the Borrower, the Administrative Agent and the Issuing Lenders agree in writing that a Lender that is a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the Lenders, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any amounts then held in the segregated account referred to in Section 2.26(e)), such Lender shall purchase at par such portions of outstanding Revolving Loans of the other Lenders under such applicable Revolving Facility, and/or make such other adjustments, as the Administrative Agent may determine to be necessary to cause the Lenders to hold Revolving Loans under each such Revolving Facility on a pro rata basis in accordance with their respective applicable Revolving Commitments, whereupon such Lender shall cease to be a Defaulting Lender and will be a Non-Defaulting Lender (and the LC Exposure under each such Revolving Facility of each Lender shall automatically be adjusted on a prospective basis to reflect the foregoing); provided that no adjustments shall be made retroactively with respect to fees accrued while such Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Non-Defaulting Lender shall constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

(g) Notwithstanding anything to the contrary herein, (x) any Lender that is an Issuing Lender hereunder may not be replaced in its capacity as an Issuing Lender at any time that it has a Letter of Credit outstanding hereunder unless arrangements reasonably satisfactory to such Issuing Lender have been made with respect to such outstanding Letters of Credit and (y) the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 8.05.

#### SECTION 2.27. Currency Equivalents.

(a) The Administrative Agent shall determine the Dollar Amount of (x) the LC Exposure in respect of Letters of Credit denominated in an Alternative Currency based on the Exchange Rate (i) as of the end of each fiscal quarter of the Borrower and (ii) on or about the date of the related notice requesting the issuance of such Letter of Credit and (y) any other amount to be converted into Dollars in accordance with the provisions hereof at the time of such conversion.

(b) If, after giving effect to any such determination of a Dollar Amount, the LC Exposure under the LC Tranche Facility, the ~~3-Year2024~~ Revolving Facility or the ~~5-Year2023~~ Revolving Facility, as applicable, exceeds 105% of the LC Tranche Commitments, ~~3-Year2024~~ LC Sublimit or the ~~5-Year2023~~ LC Sublimit, as applicable, the Borrower shall, within five (5) Business Days of receipt of notice thereof from the Administrative Agent setting forth such calculation in reasonable detail, deposit cash collateral in an account with the Administrative Agent pursuant to Section 2.02(j)(ii) in an amount equal to such excess.

#### SECTION 2.28. Increase in Commitments.

(a) Borrower Request. The Borrower may, by written notice to the Administrative Agent from time to time, request an increase to the existing LC Tranche Commitments, the ~~3-Year2024~~ Revolving Commitments and/or ~~5-Year2023~~ Revolving Commitments (each, a "Revolving Commitment Increase" and the commitments thereunder, the "Incremental Commitments") in an amount not less than (x) with respect to the LC Tranche Commitments, \$1,000,000 and (y) with respect to the ~~3-Year2024~~ Revolving Commitments and/or the ~~5-Year2023~~ Revolving Commitments, \$25,000,000, in each case, individually from one or more Incremental Lenders (which may include any existing Lender) willing to provide such Incremental Commitments in their sole discretion; provided that each Incremental Lender (which is not an existing Lender) shall be subject to the approval requirements of Section 10.02. Each such notice shall specify (i) whether such Incremental Commitments are to be established under the LC

Tranche Facility, the ~~3-Year~~2024 Revolving Facility or the ~~5-Year~~2023 Revolving Facility, (ii) the date (each, an “Increase Effective Date”) on which the Borrower proposes that the increased or new Revolving Commitments shall be effective, which shall be a date not less than ten (10) Business Days after the date on which such notice is delivered to the Administrative Agent and (iii) the identity of each Eligible Assignee to whom the Borrower proposes any portion of such Incremental Commitments be allocated and the amounts of such allocations (each provider of the Incremental Commitments referred to herein as an “Incremental Lender”); provided that any existing Lender approached to provide all or a portion of the increased or new Revolving Commitments may elect or decline, in its sole discretion, to provide such increased or new Revolving Commitment.

(b) Conditions. The Incremental Commitments shall become effective, as of such Increase Effective Date; provided that:

(i) each of the conditions set forth in Section 4.02 (other than, with respect to Section 4.02(b), the representations and warranties set forth in Sections 3.04(b) and 3.06(a)) shall be satisfied;

(ii) no Default or Event of Default shall have occurred and be continuing or would result from the Borrowings to be made on the Increase Effective Date;

(iii) after giving pro forma effect to the Revolving Extensions of Credit to be made on the Increase Effective Date, the Borrower shall be in compliance with the Collateral Coverage Test, for the avoidance of doubt, without giving effect to any Collateral Coverage Ratio Cure Period;

(iv) the Borrower shall make any payments required pursuant to Section 2.15 in connection with any adjustment of Revolving Loans pursuant to Section 2.28(d); and

(v) after giving effect to such Revolving Commitment Increase, the Total Revolving Commitment shall not in the aggregate exceed \$3,650,000,000.

(c) Terms of Incremental Commitments. The terms and provisions of Revolving Loans made pursuant to the Incremental Commitments shall be identical to any Class of existing Revolving Commitments.

The Incremental Commitments shall be effected by a joinder agreement (the “Increase Joinder”) executed by the Borrower, the Administrative Agent and each Incremental Lender making such Incremental Commitment, in form and substance reasonably satisfactory to each of them. The Increase Joinder may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 2.28. In addition, unless otherwise specifically provided herein, all references in Loan Documents to Revolving Loans shall be deemed, unless the context otherwise requires, to include references to Revolving Loans made pursuant to Incremental Commitments made pursuant to this Agreement.

(d) Adjustment of Revolving Loans. Each Incremental Lender that is acquiring a new or additional Revolving Commitment on the Increase Effective Date shall make a Revolving Loan under the applicable Revolving Facility, the proceeds of which will be used to prepay the Revolving Loans under such Revolving Facility (if any) of the other Lenders immediately prior to such Increase Effective Date so that, after giving effect thereto, the Revolving Loans outstanding under such Revolving Facility are held by the Lenders pro rata based on their Revolving Commitments under such Revolving

Facility after giving effect to such Revolving Commitment Increase. If there is a new Borrowing of Revolving Loans under such Revolving Facility on such Increase Effective Date, the Lenders under such Revolving Facility after giving effect to such Revolving Commitment Increase shall make such Revolving Loans in accordance with Section 2.01(a).

**SECTION 2.29. Extension of Revolving Commitments.**

(a) The Borrower may, at any time and from time to time (but in no event more than once in any calendar year with respect to each Revolving Facility), request that all or a portion of the Revolving Commitments of a given Class be amended to extend the maturity date with respect to all or a portion of such Revolving Commitments by a period of one (1) year (each, an “Extension Request”), which such Extension Request shall include (i) the applicable Class of Revolving Commitments requested to be extended and (ii) the proposed date of effectiveness of such extension (the “Extension Date”). The Administrative Agent shall promptly notify each Lender of such Class of such request, and each such Lender shall in turn, in its sole discretion, not later than thirty (30) days of receipt of such notification from the Administrative Agent, notify the Borrower and the Administrative Agent in writing as to whether such Lender will consent to such extension. If any Lender shall fail to notify the Administrative Agent and the Borrower in writing of its consent to any such request for extension of such maturity date within such thirty (30) day period, such Lender shall be deemed to be a Non-Extending Lender and only the Revolving Commitments of such Class of those Lenders which have responded affirmatively (each such Lender, an “Extending Lender”) shall be extended, subject to the satisfaction (or waiver) of the conditions set forth in Section 2.29(b) (any such Revolving Commitments so extended, “Extended Revolving Credit Commitments”).

(b) The applicable Extended Revolving Credit Commitments shall become effective upon receipt by the Administrative Agent of counterparts of an Extension Agreement in substantially the form of Exhibit D hereto (the “Extension Agreement”) duly completed and signed by the Borrower, the Administrative Agent and each of the Extending Lenders with respect to the applicable Extension Request; provided that:

(i) each of the conditions set forth in Section 4.02 (other than, with respect to Section 4.02(b), the representations and warranties set forth in Sections 3.04(b) and 3.06(a)) shall be satisfied;

(ii) no Default or Event of Default shall have occurred and be continuing or would result from such extension of Revolving Commitments; provided, for the avoidance of doubt, that no Default or Event of Default in respect of Section 6.03 shall have occurred and be continuing nor result from the making of such Borrowing on and as of the applicable Increase Effective Date, without giving effect to any Collateral Coverage Ratio Cure Period; and

(iii) (x) with respect to any Extension Request under the LC Tranche Facility, the extended maturity date thereunder shall not be a date later than the third anniversary of the applicable Extension Date, (y) with respect to any Extension Request under the ~~3-Year~~2024 Revolving Facility, the extended maturity date thereunder shall not be a date later than the third anniversary of the applicable Extension Date and (z) with respect to any Extension Request under the ~~5-Year~~2023 Revolving Facility, the extended maturity date thereunder shall not be a date later than the fifth anniversary of the applicable Extension Date.

(c) No extension of any Class of Revolving Commitments pursuant to this Section 2.29 shall be legally binding on any party hereto unless and until such Extension Agreement is so executed and delivered by Lenders having greater than 50% of the aggregate amount of the Revolving

Commitments of the applicable Class. The Borrower may obtain the signatures of Lenders having greater than 50% of the aggregate amount of the Revolving Commitments of the applicable Class by requiring any Lender that has failed to consent to such Extension Agreement (such Lender, a "Non-Extending Lender") to assign its Revolving Loans and its Revolving Commitments of the applicable Class hereunder to one or more assignees reasonably acceptable to (x) the Administrative Agent (unless such assignee is a Lender or an Affiliate of a Lender) and (y) each Issuing Lender (unless such assignee is a Lender or an Affiliate of a Lender); provided that: (i) all Obligations of the Borrower owing to such Non-Extending Lender of such Class being replaced shall be paid in full in same day funds to such Non-Extending Lender concurrently with such assignment, (ii) the replacement Lender shall purchase the foregoing by paying to such Non-Extending Lender a price equal to the principal amount thereof plus accrued and unpaid interest thereon and the replacement Lender or, at the option of the Borrower, the Borrower shall pay any amount required by Section 2.15, if applicable and (iii) the replacement Lender shall execute and deliver such Extension Agreement. No action by or consent of any Non-Extending Lender shall be necessary in connection with such assignment, which shall be immediately and automatically effective upon payment of such purchase price. In connection with any such assignment, the Borrower, Administrative Agent, such Non-Extending Lender and the replacement Lender shall otherwise comply with Section 10.02; provided that if such Non-Extending Lender does not comply with Section 10.02 within five (5) Business Days after the Borrower's request, compliance with Section 10.02 (but only on the part of the Non-Extending Lender) shall not be required to effect such assignment.

(d) If any Lender rejects, or is deemed to have rejected, the Borrower's proposal to extend its Revolving Commitment of any Class, (i) this Agreement shall terminate on the Revolving Facility Maturity Date then in effect with respect to such Lender's Revolving Commitment of such Class, (ii) the Borrower shall pay to such Lender on such Revolving Facility Maturity Date any amounts due and payable to such Lender with respect its Revolving Commitment of such Class on such date and (iii) the Borrower may, if it so elects, designate a Person not theretofore a Lender and reasonably acceptable the Administrative Agent (unless such Person is an Affiliate of a Lender) (such approval not to be unreasonably withheld or delayed) and each Issuing Lender (unless such Person is an Affiliate of a Lender) (such approval not to be unreasonably withheld or delayed) to become a Lender, or agree with an existing Lender that such Lender's applicable Revolving Commitment shall be increased; provided that any designation or agreement may not increase the Total Revolving Commitment; provided, further, that any Non-Extending Lender (including any direct or indirect assignee of any Non-Extending Lender) may, with the written consent of the Borrower, elect at any time prior to the applicable Revolving Facility Maturity Date then applicable to its Revolving Commitments of such Class to consent to the Borrower's prior Extension Request by delivering a written notice to such effect to the Borrower and the Administrative Agent, and upon the receipt by the Borrower and the Administrative Agent of such notice, the applicable Revolving Facility Maturity Date of each such Non-Extending Lender shall be extended to the date indicated in the applicable Extension Request and such Non-Extending Lender shall be deemed to be an Extending Lender for all purposes hereunder. On the date of termination of any Lender's Revolving Commitment of the applicable Class as contemplated by this subsection (d), the respective participations of the other Lenders in all outstanding Letters of Credit under the applicable Class shall be redetermined on the basis of their respective Revolving Commitments with respect to such Class after giving effect to such termination, and the participation therein of the Lender whose Revolving Commitment of the applicable Class is terminated shall terminate; provided that the Borrower shall, if and to the extent necessary to permit such redetermination of participations in Letters of Credit under the applicable Revolving Facility within the limits of the Revolving Commitments which are not terminated, prepay on such date a portion of the outstanding Revolving Loans under the applicable Revolving Facility, and such redetermination and termination of participations in outstanding Letters of Credit shall be conditioned upon its having done so.

(e) The Administrative Agent shall promptly notify the Lenders of the effectiveness of each Extension Agreement pursuant to this Section 2.29.

### SECTION 3.

#### REPRESENTATIONS AND WARRANTIES

In order to induce the Lenders to make Revolving Loans and issue and/or participate in Letters of Credit hereunder, the Borrower represents and warrants as follows:

SECTION 3.01. Organization and Authority. (a) The Borrower and each of its Material Subsidiaries are duly organized, validly existing and in good standing under the laws of the jurisdiction of their organization and are duly qualified and in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect, (b) the Borrower has the requisite corporate or limited liability company power and authority to effect the Transactions, and (c) the Borrower and each of its Material Subsidiaries have all requisite power and authority and the legal right to own or lease and operate their properties, pledge the Collateral and to conduct their business as now or currently proposed to be conducted. On the Closing Date, the Borrower has no Material Subsidiaries.

SECTION 3.02. Air Carrier Status. The Borrower is an "air carrier" within the meaning of Section 40102 of Title 49 and holds a certificate under Section 41102 of Title 49. The Borrower holds an air carrier operating certificate issued pursuant to Chapter 447 of Title 49. The Borrower is a "citizen of the United States" as defined in Section 40102(a)(15) of Title 49 and as that statutory provision has been interpreted by the DOT pursuant to its policies (a "United States Citizen"). The Borrower possesses all necessary certificates, franchises, licenses, permits, rights, designations, authorizations, exemptions, concessions, frequencies and consents which relate to the operation of the routes flown by it and the conduct of its business and operations as currently conducted except where failure to so possess would not, in the aggregate, have a Material Adverse Effect.

SECTION 3.03. Due Execution. The execution, delivery and performance by the Borrower of each of the Loan Documents to which it is a party (a) are within its corporate powers, have been duly authorized by all necessary corporate action, including the consent of shareholders where required, and do not (i) contravene the charter or by-laws of the Borrower, (ii) violate any applicable law (including, without limitation, the Exchange Act) or regulation (including, without limitation, Regulations T, U or X of the Board), or any order or decree of any court or Governmental Authority, other than violations by the Borrower which would not reasonably be expected to have a Material Adverse Effect or (iii) conflict with or result in a breach of, constitute a default under, or create an adverse liability or rights under, any material indenture, mortgage or deed of trust or any material lease, agreement or other instrument binding on the Borrower or any of its properties, which, in the aggregate, would reasonably be expected to have a Material Adverse Effect; and (b) do not require the consent, authorization by or approval of or notice to or filing or registration with any Governmental Authority or any other Person, other than (i) approvals, consents and exemptions that have been obtained on or prior to the Closing Date and remain in full force and effect and (ii) consents, approvals and exemptions that the failure to obtain in the aggregate would not be reasonably expected to result in a Material Adverse Effect. Each Loan Document has been duly executed and delivered by the Borrower. This Agreement is, and each of the other Loan Documents to which the Borrower is or will be a party, when delivered hereunder or thereunder, will be, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

**SECTION 3.04. Financial Statements; Material Adverse Change.**

(a) The Borrower has furnished to the Administrative Agent on behalf of the Lenders copies of the audited consolidated financial statements of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2017, reported on by Ernst & Young LLP. The Borrower has furnished to the Administrative Agent on behalf of the Lenders copies of the unaudited consolidated financial statements of the Borrower and its Subsidiaries for the three-month period ended March 31, 2018. Such financial statements present fairly, in all material respects, in accordance with GAAP, the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries on a consolidated basis as of the date thereof and for the period covered thereby (subject to normal year-end audit adjustments and the absence of footnotes in the case of the unaudited financial statements). Documents required to be delivered pursuant to this Section 3.04(a) which are made available via EDGAR, or any successor system of the SEC, in the Borrower's Annual Report on Form 10-K or Quarterly Report on Form 10-Q, shall be deemed delivered to the Administrative Agent and the Lenders on the date such documents are made so available.

(b) Since December 31, 2017, there has been no Material Adverse Change.

**SECTION 3.05. Use of Proceeds.** The proceeds of the Revolving Loans and Letters of Credit shall be used for working capital and other general corporate purposes of the Borrower and its Subsidiaries (including the repayment of Indebtedness and the payment of fees and transaction costs as contemplated hereby and as referred to in Section 2.19 and 2.20), and no part of the proceeds of any Revolving Loan will be used for any purpose which would violate, or be inconsistent with, any of the margin regulations of the Board.

**SECTION 3.06. Litigation and Compliance with Laws.**

(a) There are no actions, suits, proceedings or investigations pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its properties (including any Collateral), before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (i) that are likely to have a Material Adverse Effect or (ii) that purport to, or could reasonably be expected to, affect the legality, validity, binding effect or enforceability of the Loan Documents or, in any material respect, the rights and remedies of the Administrative Agent, the Collateral Agent or the Lenders thereunder or in connection with the Transactions.

(b) Except with respect to any matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, (i) the Borrower and each of its Material Subsidiaries are currently in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities in respect of the conduct of their business and ownership of their property (including compliance with all applicable Environmental Laws governing their business), and (ii) none of the Borrower or its Subsidiaries has (x) become subject to any Environmental Liability, or (y) received written notice of any pending or, to the knowledge of the Borrower, threatened claim with respect to any Environmental Liability.

**SECTION 3.07. Investment Company Act.** The Borrower is not, and is not required to be, registered as an "investment company" under the Investment Company Act of 1940, as amended.

**SECTION 3.08. ERISA.** No Termination Event has occurred or is reasonably expected to occur that would reasonably be expected to have a Material Adverse Effect.

SECTION 3.09. Title to Aircraft Collateral. The Borrower shall have good and marketable title to each of the Aircraft pledged as Collateral, free of all Liens other than the Permitted Liens.

SECTION 3.10. Payment of Taxes. Each of the Borrower and its Material Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid when due all Taxes required to have been paid by it, except and solely to the extent that, in each case (a) such Taxes are being contested in good faith by appropriate proceedings and the Borrower or such Material Subsidiary, as applicable, has set aside on its books adequate reserves therefor in accordance with GAAP or (b) the failure to do so would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Economic Sanctions.

(a) Neither the Borrower nor any of its Subsidiaries nor, to the knowledge of the Borrower, any director, officer or employee of the Borrower or such Subsidiary (each, a "Specified Person") is an individual or entity currently the subject of any sanctions administered or enforced by the United States (including but not limited to OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority (collectively, "Sanctions"), nor is the Borrower or any of its Subsidiaries located, organized or resident in a country or territory that is the subject of Sanctions.

(b) No Specified Person will use any proceeds of the Revolving Loans or lend, contribute or otherwise make available such proceeds to any Person for the purpose of funding, financing or facilitating the activities of or with any Person or in any country or territory that, at the time of such financing, is the subject of Sanctions, except to the extent licensed by OFAC or otherwise authorized under U.S. law.

(c) The Borrower, its Subsidiaries, and to the knowledge of the Borrower, the respective officers and directors of the Borrower and such Subsidiary are in compliance in all material respects with applicable Sanctions and will maintain in effect and enforce policies and procedures reasonably designed to promote and achieve compliance with such laws.

SECTION 3.12. Anti-Corruption Laws. The Borrower and its Subsidiaries and, to the knowledge of the Borrower, the directors, officers, agents, and employees of the Borrower and its Subsidiaries are in compliance in all material respects with all applicable anti-corruption laws. The Borrower and its Subsidiaries will maintain in effect and enforce policies and procedures reasonably designed to promote and achieve compliance with such laws and with the representation and warranty contained herein.

SECTION 3.13. Perfected Security Interests; Priority Lien Obligations. The Collateral Documents, taken as a whole, are effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, a legal, valid and enforceable security interest in all of the Collateral, subject as to enforceability to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. At such time as (a) financing statements in appropriate form are filed in the appropriate offices (and the appropriate fees are paid) and (b) if any Aircraft Collateral is pledged, the Aircraft Mortgage (including, without limitation, any Mortgage Supplements) is filed for recordation with the FAA (and the appropriate fees are paid) and registrations with respect to the International Interests in the Aircraft Collateral are duly made in the International

Registry the Collateral Agent, for the benefit of the Secured Parties, shall have a first priority (subject only to the Permitted Liens) perfected security interest and/or mortgage (or comparable Lien) in all of the Collateral to the extent that the Liens on such Collateral may be perfected upon the filings or recordations or upon the taking of the actions described in clauses (a) and (b) above, subject in each case only to the Permitted Liens, such security interest (i) is continuing, valid and enforceable and (ii) is entitled to the benefits, rights and protections afforded under the applicable Collateral Documents (subject to the qualification set forth in the first sentence of this Section 3.13).

SECTION 3.14. Pacific Route FAA Slot Utilization. Except for matters which would not reasonably be expected to have a Material Adverse Effect or a Collateral Material Adverse Effect, the Borrower is utilizing, or causing to be utilized, its Pacific Route FAA Slots (except Pacific Route FAA Slots which are reasonably determined by the Borrower (in the case of Pacific Route FAA Slots, on the basis of the most recent Appraisal Report) to be of *de minimis* value) in a manner consistent in all material respects with applicable rules, regulations, laws and contracts in order to preserve both its right to hold and operate the Pacific Route FAA Slots, taking into account any waivers or other relief granted to the Borrower by the FAA, other applicable U.S. Governmental Authorities or U.S. Airport Authorities. The Borrower has not received any written notice from the FAA, other applicable U.S. Governmental Authorities or U.S. Airport Authorities, and is not otherwise aware of any other event or circumstance, that would be reasonably likely to impair in any material respect its right to hold and operate any Pacific Route FAA Slot, except for any such impairment that, either individually or in the aggregate, would not reasonably be expected to have a Collateral Material Adverse Effect.

SECTION 3.15. Pacific Route Foreign Slot Utilization.

(a) Except for matters which would not reasonably be expected to have a Material Adverse Effect or a Collateral Material Adverse Effect, the Borrower is utilizing, or causing to be utilized, its Pacific Route Foreign Slots (except Pacific Route Foreign Slots which are reasonably determined by the Borrower to be of *de minimis* value) in a manner consistent in all material respects with applicable rules, regulations, foreign laws and contracts in order to preserve both its right to hold and operate the Pacific Route Foreign Slots, taking into account any waivers of other relief granted to the Borrower by Foreign Aviation Authorities. The Borrower has not received any written notice from any applicable Foreign Aviation Authorities, and is not otherwise aware of any other event or circumstance, that would be reasonably likely to impair in any material respect its right to hold and operate any such Pacific Route Foreign Slot, except for any such impairment that, individually or in the aggregate, would not reasonably be expected to have a Collateral Material Adverse Effect.

SECTION 3.16. Pacific Routes.

(a) As of the Amendment No. 1 Effective Date, Schedule 3.16 identifies all of the Pacific Routes held by the Borrower constituting Collateral, and the Appraised Value of all such Pacific Routes (if any) is reflected in the Amendment No. 1 Appraisal Report delivered to the Administrative Agent and the Lenders prior to the Amendment No. 1 Effective Date.

(b) The Borrower holds the requisite authority to operate each of its Pacific Routes pursuant to Title 49, applicable foreign law, and the applicable rules and regulations of the FAA, DOT and any applicable Foreign Aviation Authorities, and, except as would not reasonably be expected to have a Material Adverse Effect or a Collateral Material Adverse Effect, has, at all times after being awarded each such Pacific Route, complied in all material respects with all of the terms, conditions and limitations of each such certificate or order issued by the DOT and the applicable Foreign Aviation Authorities regarding such Pacific Route and with all applicable provisions of Title 49, applicable foreign law, and the applicable rules and regulations of the FAA, DOT and any Foreign Aviation Authorities regarding such Pacific Route. There exists no failure of the Borrower to comply with such terms, conditions or



limitations that gives the FAA, DOT or any applicable Foreign Aviation Authorities the right to terminate, cancel, suspend, withdraw or modify in any materially adverse respect the rights of the Borrower in any such Pacific Route, except to the extent that such failure would not reasonably be expected to have a Collateral Material Adverse Effect.

SECTION 3.17. Government Sponsored Relief Programs. The Borrower has determined in good faith in consultation with counsel that it is eligible to participate in all COVID 19-related government-sponsored relief programs that the Borrower currently participates in or has applied to participate in, and has taken into consideration in making such determination all rules, regulations and FAQs related to all such programs.

#### SECTION 4.

##### CONDITIONS OF LENDING

SECTION 4.01. Conditions Precedent to Effectiveness. The effectiveness of this Agreement is subject to the satisfaction (or waiver in accordance with Section 10.08) of the following conditions precedent:

(a) Supporting Documents. The Administrative Agent shall have received with respect to the Borrower:

(i) a copy of the Borrower's certificate of incorporation, as amended, certified as of a recent date by the Secretary of State of the state of its incorporation or formation;

(ii) a certificate of the Secretary of State of the state of the Borrower's incorporation, dated as of a recent date, as to the good standing of the Borrower (to the extent available in the applicable jurisdiction) and as to the charter documents on file in the office of such Secretary of State;

(iii) a certificate of the Secretary or an Assistant Secretary of the Borrower dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the by-laws of the Borrower as in effect on the date of such certification, (B) that attached thereto is a true and complete copy of resolutions adopted by the board of directors of the Borrower or an authorized committee thereof authorizing the Borrowings and Letter of Credit issuances hereunder and the execution, delivery and performance in accordance with their respective terms of this Agreement, the other Loan Documents and any other documents required or contemplated hereunder or thereunder, (C) that the certificate of incorporation of the Borrower has not been amended since the date of the last amendment thereto indicated on the certificate of the Secretary of State furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer of that entity executing this Agreement and the Loan Documents or any other document delivered by it in connection herewith or therewith (such certificate to contain a certification by another officer of the Borrower as to the incumbency and signature of the officer signing the certificate referred to in this clause (iii)); and

(iv) an Officer's Certificate from the Borrower certifying (A) as to the accuracy in all material respects of the representations and warranties contained in the Loan Documents as though made on and as of the Closing Date, except to the extent that any such representation or warranty by its terms is made as of a different specified date, in which case such representation or warranty shall be or was true and correct in all material respects as of such date (provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or

“Material Adverse Effect” shall be true and correct in all respects as of the applicable date), in each case before and after giving effect to the Transactions and (B) as to the absence of any Default or Event of Default occurring and continuing on the Closing Date before and after giving effect to the Transactions.

(b) Credit Agreement. The Borrower shall have duly executed and delivered to the Administrative Agent this Agreement.

(c) Appraisal. The Administrative Agent shall have received the Initial Appraisal Report and such Initial Appraisal Report shall demonstrate that, on the Closing Date, and after giving effect to the Transactions, the Borrower shall be in compliance on a pro forma basis with Section 6.03.

(d) Opinions of Counsel. The Administrative Agent, and the Lenders shall have received:

(i) a written opinion of David S. Cartee, Associate General Counsel for the Borrower, in a form reasonably satisfactory to the Administrative Agent; and

(ii) a written opinion of Davis Polk & Wardwell LLP, special New York counsel to the Borrower, in a form reasonably satisfactory to the Administrative Agent.

(e) Payment of Fees and Expenses. The Borrower shall have paid to the Administrative Agent, the Arrangers and the Lenders, as applicable, the then unpaid balance of all accrued and unpaid Fees due, owing and payable under and pursuant to this Agreement, as referred to in Section 2.19 and Section 2.20(b), and all reasonable and documented out-of-pocket expenses of the Administrative Agent (including reasonable attorneys’ fees of Simpson Thacher & Bartlett LLP) for which invoices have been presented at least three (3) Business Days prior to the Closing Date, or the Borrower shall have authorized that such Fees and expenses be deducted from the proceeds of the initial fundings under the Revolving Facility on the Closing Date, if any.

(f) Repayment of Existing Indebtedness and Termination of Existing Liens. Upon the making of the initial Revolving Loans or the issuance of the initial Letters of Credit (and after giving effect to the application of the proceeds thereof), if any, on the Closing Date, all obligations under the Existing Barclays Credit Agreement and the Existing JPM Credit Agreement shall have been paid in full (other than contingent indemnification obligations for which no claim has been made and that survive termination of the commitments and repayment of the loans thereunder) and all commitments to extend credit thereunder shall have been terminated, and the liens securing the loans and other obligations thereunder shall have been terminated and released, in each case in a manner reasonably satisfactory to the Administrative Agent and the Administrative Agent shall have received reasonably satisfactory payoff letters with respect thereto.

(g) Representations and Warranties. All representations and warranties of the Borrower contained in this Agreement and the other Loan Documents executed and delivered on the Closing Date shall be true and correct in all material respects on and as of the Closing Date, before and after giving effect to the Transactions, as though made on and as of such date (except to the extent any such representation or warranty by its terms is made as of a different specified date, in which case such representation or warranty shall be true and correct in all material respects as of such specified date); provided that any representation or warranty that is qualified by materiality, “Material Adverse Change” or “Material Adverse Effect” shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to the Transactions.

(h) No Default. Before and after giving effect to the Transactions, no Default or Event of Default shall have occurred and be continuing on the Closing Date.

(i) Patriot Act. The Lenders shall have received at least three (3) days prior to the Closing Date all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act, that such Lenders shall have requested at least ten (10) days prior to the Closing Date.

The execution by each Lender of this Agreement shall be deemed to be confirmation by such Lender that any condition relating to such Lender's satisfaction or reasonable satisfaction with any documentation set forth in this Section 4.01 has been satisfied as to such Lender.

**SECTION 4.02. Conditions Precedent to Each Revolving Loan and Each Letter of Credit**. The obligation of the Lenders to make each Revolving Loan and of the Issuing Lenders to issue each Letter of Credit is subject to the satisfaction (or waiver in accordance with Section 10.08) of the following conditions precedent:

(a) Notice. The Administrative Agent shall have received a Borrowing Request pursuant to Section 2.03 with respect to such borrowing or issuance, as the case may be.

(b) Representations and Warranties. All representations and warranties contained in this Agreement and the other Loan Documents (other than, with respect to Revolving Loans made or Letters of Credit issued after the Closing Date, the representations and warranties set forth in Sections 3.04(b) and 3.06(a)) shall be true and correct in all material respects on and as of the date of each Borrowing or the issuance of each Letter of Credit hereunder (both before and after giving effect thereto and, in the case of each Borrowing, the application of proceeds therefrom) with the same effect as if made on and as of such date except to the extent such representations and warranties expressly relate to an earlier date and in such case, such representations and warranties shall be true and correct in all material respects as of such date; provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to such Borrowing or the issuance of such Letter of Credit hereunder.

(c) No Default. On the date of each Borrowing or the issuance of each Letter of Credit hereunder, no Default or Event of Default shall have occurred and be continuing nor result from the making of the requested Borrowing or the issuance of the requested Letter of Credit and, in the case of each Borrowing, the application of proceeds thereof; provided that no Default or Event of Default in respect of Section 6.03 shall have occurred and be continuing nor result from the making of such Borrowing or the issuance of such Letter of Credit on and as of the date of such Borrowing or such issuance, without giving effect to any Collateral Coverage Cure Period.

The request by the Borrower for, and the acceptance by the Borrower of, each extension of credit hereunder shall be deemed to be a representation and warranty by the Borrower that the conditions specified in this Section 4.02 have been satisfied at that time.

## SECTION 5.

### AFFIRMATIVE COVENANTS

From the date hereof and for so long as the Revolving Commitments remain in effect, any Letter of Credit remains outstanding (in a face amount in excess of the sum of (i) the amount of cash

collateral maintained with the Administrative Agent pursuant to Section 2.02(j) and (ii) the face amount of back-to-back letters of credit delivered pursuant to Section 2.02(j)), any principal of or interest on any Revolving Loan or any fees remain outstanding or any LC Disbursement remains unreimbursed, the Borrower agrees to:

**SECTION 5.01. Financial Statements, Reports, etc.** Deliver to the Administrative Agent on behalf of the Lenders:

(a) Within ninety (90) days after the end of each fiscal year, the Borrower's consolidated balance sheet and related statement of income and cash flows, showing the financial condition of the Borrower and its Subsidiaries on a consolidated basis as of the close of such fiscal year and the results of their respective operations during such year, the consolidated statement of the Borrower to be audited for the Borrower by Ernst & Young LLP or other independent public accountants of recognized national standing and accompanied by an opinion of such accountants (without a "going concern" or like qualification or exception and without any more qualification or exception as to the scope of such audit, except for any such qualification solely as a result of (x) an impending debt maturity within twelve (12) months of any Revolving Facility under this Agreement or (y) a potential inability to satisfy any financial covenant) and to be certified by a Responsible Officer of the Borrower to the effect that such consolidated financial statements fairly present in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP. Documents required to be delivered pursuant to this clause (a) which are made publicly available via EDGAR, or any successor system of the SEC, in the Borrower's Annual Report on Form 10-K, shall be deemed delivered to the Lenders on the date such documents are made so available;

(b) Within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year, the Borrower's consolidated balance sheets and related statements of income and cash flows, showing the financial condition of the Borrower and its Subsidiaries on a consolidated basis as of the close of such fiscal quarter and the results of their operations during such fiscal quarter and the then elapsed portion of the fiscal year, each certified by a Responsible Officer of the Borrower as fairly presenting in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP, subject to normal year-end audit adjustments and the absence of footnotes. Documents required to be delivered pursuant to this clause (b) which are made publicly available via EDGAR, or any successor system of the SEC, in the Borrower's Quarterly Report on Form 10-Q, shall be deemed delivered to the Lenders on the date such documents are made so available;

(c) concurrently with any delivery of financial statements under (a) and (b) above, a certificate of a Responsible Officer of the Borrower (in substantially the form of Exhibit A) (i) certifying that, to the knowledge of such Responsible Officer, no Event of Default has occurred, or, if, to the knowledge of such Responsible Officer, such an Event of Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, and (ii) setting forth computations in reasonable detail satisfactory to the Administrative Agent demonstrating compliance with the provisions of Section 6.03;

(d) prompt written notice of any Termination Event that has occurred, or is reasonably expected to occur, to the extent such Termination Event would constitute an Event of Default under Section 7.01(l);

(e) promptly after a Responsible Officer of the Borrower obtains knowledge of the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental

Authority against or affecting the Borrower or any Subsidiary that could reasonably be expected to result in a Material Adverse Effect, notification thereof;

(f) (i) on the date on which any Investment Property that is not listed on a national securities exchange is initially included as Additional Collateral, an Officer's Certificate from the Borrower, in form and substance reasonably satisfactory to the Administrative Agent, setting forth the book value of such Investment Property as of the last day of the month most recently ended and excluding the contract value (or such other valuation method reasonably satisfactory to the Administrative Agent), together with all supporting documents with respect to such Investment Property as the Administrative Agent may reasonably request and (ii) at any time thereafter that any Investment Property that is not listed on a national securities exchange shall be included as Additional Collateral, concurrently with any delivery of financial statements under clause (a) or (b) above in respect of each fiscal quarter of the Borrower, an Officer's Certificate from the Borrower, in form and substance reasonably satisfactory to the Administrative Agent, setting forth the book value of such Investment Property as of the last day of the month most recently ended and excluding the contract value (or such other valuation method reasonably satisfactory to the Administrative Agent), together with all supporting documents with respect to such Investment Property as the Administrative Agent may reasonably request;

(g) promptly after a Responsible Officer obtains knowledge thereof, notice that, with respect to any Pacific Routes, the authority granted to the Borrower by the DOT, any Governmental Authority or any applicable Foreign Aviation Authority relating to such Pacific Routes, to the extent necessary to operate the scheduled air carrier services being operated by the Borrower, will not be renewed, other than in cases where such failure of renewal would not reasonably be expected to result in a Material Adverse Effect;

(h) (I) concurrently with any delivery of financial statements under clauses (a) and (b) above solely in respect of (i) the end of each fiscal year of the Borrower (commencing with the fiscal year ending December 31, 2020) and (ii) the end of each second fiscal quarter of each fiscal year of the Borrower (commencing with the fiscal quarter ending June 30, 2021), (II) as required by Section 6.05 and (III) to the extent required in connection with any Permitted Disposition, an updated calculation of the Collateral Coverage Ratio, reflecting the most recent Appraisal Reports delivered to the Administrative Agent in respect of the Collateral pursuant to the terms hereof; and

(i) if an Event of Default has occurred and is continuing, any subsequent Appraisal Report reasonably requested by the Administrative Agent or the Required Lenders, in each case as soon as reasonably practicable after receipt by the Borrower of such request.

Subject to the next succeeding sentence, information delivered pursuant to this Section 5.01 to the Administrative Agent may be made available by the Administrative Agent to the Lenders by posting such information on the Intralinks website on the Internet at <http://www.intralinks.com>. Information delivered pursuant to this Section 5.01 may also be delivered by electronic communication pursuant to procedures approved by the Administrative Agent pursuant to Section 10.01 hereto. Information required to be delivered pursuant to this Section 5.01 (to the extent not made available as set forth above) shall be deemed to have been delivered to the Administrative Agent on the date on which the Borrower provides written notice to the Administrative Agent that such information has been posted on the Borrower's website on the Internet at <http://www.delta.com> (to the extent such information has been posted or is available as described in such notice). Information required to be delivered pursuant to this Section 5.01 shall be in a format which is suitable for transmission.

Any notice or other communication delivered pursuant to this Section 5.01, or otherwise pursuant to this Agreement, shall be deemed to contain material non-public information unless (i)

expressly marked by the Borrower as "PUBLIC", (ii) such notice or communication consists of copies of the Borrower's public filings with the SEC or (iii) such notice or communication has been posted on the Borrower's website on the Internet at <http://www.delta.com>.

SECTION 5.02. Existence. Preserve and maintain, and cause each of its Material Subsidiaries to preserve and maintain in full force and effect all governmental rights, privileges, qualifications, permits, licenses and franchises necessary in the normal conduct of its business except (a) if such failure to preserve the same could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, and (b) as otherwise permitted in connection with (i) sales of assets not restricted by Section 6.05 or (ii) mergers, liquidations and dissolutions permitted by Section 6.02.

SECTION 5.03. Insurance. Other than with respect to the Aircraft Collateral, as to which only the insurance provisions of the Aircraft Mortgage shall be applicable, maintain with financially sound and reputable insurance companies, insurance of such types and in such amounts (after giving effect to any self-insurance) as is customary in the United States domestic airline industry for major United States air carriers having both substantial domestic and international operations or otherwise in the Borrower's ordinary course of business and consistent with past practice, except to the extent that the failure to maintain such insurance could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.04. Maintenance of Properties. Except to the extent otherwise permitted hereunder, in its reasonable business judgment, keep and maintain, and cause each of its Material Subsidiaries to keep and maintain, all property material to the conduct of its business in good working order and condition (ordinary wear and tear and damage by casualty and condemnation excepted), except where the failure to keep such property in good working order and condition would not have a Material Adverse Effect.

SECTION 5.05. Obligations and Taxes. Pay, and cause each of its Material Subsidiaries to pay, all its and their material obligations promptly and in accordance with their terms, and pay and discharge promptly all taxes, assessments, governmental charges, levies or claims imposed upon it or upon its income or profits or in respect of its property, before the same shall become more than ninety (90) days delinquent, except in each case where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; provided, however, that the Borrower and each of its Material Subsidiaries shall not be required to pay and discharge or to cause to be paid and discharged any such obligation, tax, assessment, charge, levy or claim so long as (i) the validity or amount thereof shall be contested in good faith by appropriate proceedings and (ii) the Borrower and its Material Subsidiaries shall have set aside on their books adequate reserves therefor in accordance with GAAP.

SECTION 5.06. Notice of Event of Default, etc. Promptly upon knowledge thereof by a Responsible Officer of the Borrower, give to the Administrative Agent notice in writing of any Default or Event of Default.

SECTION 5.07. Access to Books and Records. Maintain or cause to be maintained at all times true and complete books and records in all material respects in a manner consistent with GAAP in all material respects of the financial operations of the Borrower and provide the Administrative Agent, the Collateral Agent and their respective representatives and advisors reasonable access to all such books and records (subject to requirements under any confidentiality agreements, if applicable), as well as any appraisals of the Collateral, during regular business hours, in order that the Administrative Agent and the Collateral Agent may upon reasonable prior notice and with reasonable frequency, but in any event, so long as no Event of Default has occurred and is continuing, no more than one (1) time per year, examine

and make abstracts from such books, accounts, records, appraisals and other papers, and permit the Administrative Agent, the Collateral Agent and their respective representatives and advisors to confer with the officers of the Borrower and representatives (provided that the Borrower shall be given the right to participate in such discussions with such representatives) of the Borrower, all for the purpose of verifying the accuracy of the various reports delivered by the Borrower to the Administrative Agent or the Lenders pursuant to this Agreement or for otherwise ascertaining compliance with this Agreement; and at any reasonable time and from time to time during regular business hours, upon reasonable notice to the Borrower, permit the Administrative Agent and any agents or representatives (including, without limitation, appraisers) thereof to visit the properties of the Borrower and to conduct examinations of and to monitor the Collateral (other than with respect to all of the Aircraft Collateral, as to which the provisions of Section 2.04 of the Aircraft Mortgage shall apply), in each case at the expense of the Borrower (provided that the Borrower shall not be required to pay the expenses of more than one (1) such visit a year unless an Event of Default has occurred and is continuing); provided, however, that (a) any such inspection of Collateral (i) shall be limited to the Aircraft Collateral, (ii) shall be a visual, walk-around inspection and (iii) may not include opening any panels, bays or the like and (b) no exercise of any inspection rights provided for in this Section 5.07 shall interfere with the normal operation or maintenance of any Aircraft by, or the business of, the Borrower.

SECTION 5.08. Compliance with Laws. Comply, and cause each of its Material Subsidiaries to comply, with all applicable laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including Environmental Laws), except where such noncompliance, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures reasonably designed to promote and achieve compliance with anti-corruption laws and Sanctions.

SECTION 5.09. Appraisal Reports. Furnish or cause to be furnished to the Administrative Agent and Collateral Agent one or more Appraisal Reports establishing the Appraised Value of the Eligible Collateral, in each case at the expense of the Borrower, (a) on each date on which the Borrower must deliver a Collateral Coverage Ratio calculation pursuant to Section 5.01(h)(I), (b) on the date upon which any additional property or asset (including, without limitation, applicable Additional Collateral) is pledged as Collateral to the Collateral Agent to secure the Obligations, but only with respect to such additional property or asset, (c) with respect to any voluntary Disposition of Collateral in accordance with Section 6.05 and the definition of Permitted Disposition, (d) no later than forty-five (45) days (or such longer time as the Administrative Agent may reasonably consent to) following any involuntary Disposition of Collateral (including any casualty event relating thereto or condemnation thereof) having a fair market value (as determined in good faith by the Borrower on the basis of the most recently delivered Appraisal Report) of at least \$75,000,000, (e) promptly (but in any event within forty-five (45) days or such longer time as the Administrative Agent may reasonably consent to) at the request of the Administrative Agent upon the occurrence and during the continuation of an Event of Default, and (f) no later than forty-five (45) days (or such longer time as the Administrative Agent may reasonably consent to) following any Change in Law with respect to any Collateral, which change could reasonably be expected to result in the Borrower's failure to maintain the Collateral Coverage Test. The Borrower may from time to time cause to be delivered subsequent Appraisal Reports if it believes that any affected item of Collateral has a higher Appraised Value than that reflected in the most recent Appraisal Report delivered.

SECTION 5.10. FAA and DOT Matters; Citizenship. (a) Maintain at all times its status as an "air carrier" within the meaning of Section 40102(a)(2) of Title 49, and hold a certificate under Section 41102(a)(1) of Title 49; (b) at all times hereunder be a United States Citizen; and (c) maintain at all times its status at the FAA as an air carrier and hold an air carrier operating certificate and

other operating authorizations issued by the FAA pursuant to 14 C.F.R. Parts 119 and 121 as currently in effect or as may be amended or recodified from time to time. Except as specifically permitted herein or in the SGR Security Agreement, possess and maintain all necessary certificates, exemptions, franchises, licenses, permits, designations, rights, concessions, authorizations, frequencies and consents which are material to the operation of the Pacific Route FAA Slots, the Pacific Routes and the Pacific Route Foreign Slots utilized by it and the conduct of its business and operations as currently conducted, of any Collateral, except where the failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.11. Further Assurances. Execute any and all further documents and instruments, and take all further actions, that may be required or advisable under applicable law or by the FAA, or that the Collateral Agent may reasonably request, in order to create, grant, establish, preserve and perfect the validity, perfection and priority of the Liens and security interests created or intended to be created by the Collateral Documents, to the extent required under this Agreement or the Collateral Documents, including, without limitation, amending, amending and restating, supplementing, assigning or otherwise modifying, renewing or replacing a Collateral Document or other agreements, instruments or documents relating thereto, in each case as may be reasonably requested by the Administrative Agent, in order to (i) create interests as contemplated and permitted hereunder or under the applicable Collateral Document (including, but not limited to, International Interests, Assignments, Prospective Assignments, Sales, Prospective Sales, Assignments of Associated Rights and Subordinations) that may be registered and/or assigned under the Cape Town Treaty, (ii) create, grant, establish, preserve and perfect the Liens in favor of the Collateral Agent for the benefit of the Secured Parties to the fullest extent possible, including, where necessary, the subordination of other rights or interests and (iii) realize the benefit of the remedial provisions that are contemplated by the Cape Town Treaty, subject to the provisions of Section 4.02 of the Aircraft Mortgage. Notwithstanding anything to the contrary in this Agreement or the Collateral Documents, (i) no perfection actions or steps will be required to be taken in any jurisdiction other than the United States (or any state thereof), other than with respect to registrations of International Interests in the Aircraft Collateral with the International Registry and (ii) no Collateral Document governed by the laws of a jurisdiction other than the United States (or any state thereof) will be required.

Without limiting the generality of the foregoing or any other provisions of the Loan Documents, the Borrower hereby (A) agrees to exclude the application of Article XVI(1)(a) of the Aircraft Protocol (it being understood that such exclusion shall not derogate from any other rights of the Borrower under or pursuant to the Aircraft Mortgage) and (B) consents, pursuant to Article XV of the Aircraft Protocol, to any Assignment of Associated Rights within the scope of Article 33(1) of the Cape Town Convention which is permitted or required by the applicable Loan Documents and further agrees that the provisions of the preceding paragraph shall apply, in particular, with respect to Articles 31(4) and 36(1) of the Cape Town Convention to the extent applicable to any such Assignment of Associated Rights.

SECTION 5.12. Pacific Route FAA Slot Utilization.

Subject to Dispositions permitted by this Agreement and the SGR Security Agreement and except as would not reasonably be expected to have a Material Adverse Effect or a Collateral Material Adverse Effect, utilize (or arrange for utilization by exchanging Pacific Route FAA Slots with other air carriers) the Pacific Route FAA Slots (except Pacific Route FAA Slots which are reasonably determined by the Borrower (in the case of Pacific Route FAA Slots, on the basis of the most recent Appraisal Report) to be of *de minimis* value), in a manner consistent in all material respects with applicable regulations, rules, laws and contracts in order to preserve its right to hold and operate the Pacific Route FAA Slots, taking into account any waivers or other relief granted to the Borrower by the FAA, any applicable Foreign Aviation Authority, any other applicable Governmental Authority or any Airport Authority.



SECTION 5.13. Pacific Route Foreign Slot Utilization.

Subject to Dispositions permitted by this Agreement, the SGR Security Agreement and the UK Debenture except as would not reasonably be expected to have a Material Adverse Effect or a Collateral Material Adverse Effect, utilize (or arrange for utilization by exchanging Pacific Route Foreign Slots with other air carriers) the Pacific Route Foreign Slots (except Pacific Route Foreign Slots which are reasonably determined by the Borrower to be of *de minimis* value) in a manner consistent in all material respects with applicable regulations, rules, foreign law and contracts in order to preserve its right to hold and operate the Pacific Route Foreign Slots, taking into account any waivers or other relief granted to the Borrower by any applicable Foreign Aviation Authorities.

SECTION 5.14. Pacific Route Utilization.

(a) Subject to Dispositions permitted by this Agreement and the SGR Security Agreement and except as would not reasonably be expected to have a Material Adverse Effect or a Collateral Material Adverse Effect, utilize the Pacific Routes in a manner consistent in all material respects with Title 49, rules and regulations promulgated thereunder, and applicable foreign law, and the applicable rules and regulations of the FAA, DOT and any applicable Foreign Aviation Authorities, including, without limitation, any operating authorizations, certificates, bilateral authorizations and bilateral agreements with any applicable Foreign Aviation Authorities and contracts with respect to such Pacific Routes.

(b) Subject to Section 5.14(c) and except as would not reasonably be expected to have a Material Adverse Effect or a Collateral Material Adverse Effect, maintain access to Supporting Route Facilities sufficient to ensure its ability to retain its rights in and to the Pacific Routes, taking into account any waivers or other relief granted to the Borrower by the FAA, any other applicable Governmental Authority, any Airport Authority or any applicable Foreign Aviation Authorities.

(c) Notwithstanding the foregoing, it is understood and agreed that the Borrower may cease using its rights in and/or use of any such Supporting Route Facilities in the event that the preservation of such rights in and/or use of such Supporting Route Facilities is no longer advantageous to the Borrower in connection with the conduct of its operations utilizing the Pacific Routes.

SECTION 5.15. Minimum Liquidity. The Borrower shall not, at the close of any Business Day, permit the sum of (i) the aggregate amount of Unrestricted Cash and (ii) the aggregate principal amount committed and available to be drawn by Borrower under all revolving credit facilities of the Borrower to be less than \$2,000,000,000.

SECTION 5.16. [Reserved].

SECTION 5.17. Government Sponsored Relief Programs. Before participating in or applying to participate in any COVID-19-related government-sponsored relief program, the Borrower shall make a determination in good faith in consultation with counsel that it is eligible to participate in any such program, and shall take into consideration in making such determination all rules, regulations and FAQs related to such program.

## SECTION 6.

### NEGATIVE COVENANTS

From the date hereof and for so long as the Revolving Commitments remain in effect, any Letter of Credit remains outstanding (in a face amount in excess of the sum of (i) the amount of cash collateral maintained with the Administrative Agent pursuant to Section 2.02(j) and (ii) the face amount of back-to-back letters of credit delivered pursuant to Section 2.02(j)), any principal of or interest on any Revolving Loan or any fees remain outstanding or any LC Disbursement remains unreimbursed, the Borrower will not:

#### SECTION 6.01. Liens on the Collateral.

(a) Incur, create, assume or suffer to exist any Lien upon or with respect to the Collateral, other than (the "Permitted Liens"):

(i) Liens held by the Collateral Agent securing the Obligations.

(ii) Liens constituting or otherwise in respect of normal operational usage of the affected property, including leases, subleases, use agreements and swap agreements constituting "Permitted Dispositions" pursuant to clause (g) of the definition thereof, charters, third party maintenance, storage, leasing, pooling or interchange thereof; provided that, in the case of any lease or sublease (excluding any lease or sublease (i) constituting a "Permitted Disposition" pursuant to clause (g) of the definition thereof and (ii) of any Aircraft Collateral pursuant to the Aircraft Mortgage), the rights of the lessee or sublessee shall be subordinated to the rights (including remedies) of the Collateral Agent under the applicable Collateral Document on terms reasonably satisfactory to the Collateral Agent;

(iii) a banker's lien or right of offset of the holder of such Indebtedness in favor of any lender of moneys or holder of commercial paper of the Borrower or any subsidiary in the ordinary course of business on moneys of the Borrower such subsidiary deposited with such lender or holder in the ordinary course of business;

(iv) Liens in favor of depositary banks arising as a matter of law encumbering deposits (including the right of setoff) and that are within the general parameters customary in the banking industry;

(v) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted; provided that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(vi) Liens imposed by law, such as carriers', warehousemen's, landlord's, mechanics' carriers', workmen's and repairmen's Liens and other similar Liens, in each case, incurred in the ordinary course of business;

(vii) in the case of any Gate Interests, any interest or title of a licensor, sublicensor, lessor, sublessor or airport operator under any lease, license or use agreement;

(viii) Liens arising by operation of law in connection with judgments, attachments or awards which do not constitute an Event of Default hereunder;

(ix) any extension, modification, renewal or replacement of the Liens described in clauses (i) through (viii) above, provided that such extension, modification, renewal or replacement does not increase the principal amount of Indebtedness associated therewith; and

(x) Liens on the Aircraft Collateral permitted under the Aircraft Mortgage.

SECTION 6.02. Merger, etc.

(a) Merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets (in each case, whether now owned or hereafter acquired) unless:

(i) immediately after giving effect thereto no Default or Event of Default shall have occurred and be continuing;

(ii) the Borrower is the surviving corporation or, if otherwise, (x) such other Person or continuing corporation (the "Successor Company") is a corporation or other entity organized under the laws of a state of the United States and (y) such Successor Company is a U.S. certificated air carrier; and

(iii) in the case of a Successor Company, the Successor Company shall (A) execute, prior to or contemporaneously with the consummation of such transaction, such agreements, if any, as are in the reasonable opinion of the Administrative Agent, necessary to evidence the assumption by the Successor Company of liability for all of the obligations of the Borrower hereunder and the other Loan Documents and (B) cause to be delivered to the Administrative Agent and the Lenders such legal opinions (which may be from in-house counsel) as any of them may reasonably request in connection with the matters specified in the preceding clause (A) and (C) provide such information as each Lender or the Administrative Agent reasonably requests in order to perform its "know your customer" due diligence with respect to the Successor Company.

Upon any consolidation or merger in accordance with this Section 6.02(a) in any case in which the Borrower is not the surviving corporation, the Successor Company shall succeed to, and be substituted for, and may exercise every right and power of, the Borrower under this Agreement with the same effect as if such Successor Company had been named as the Borrower herein. No such consolidation or merger shall have the effect of releasing the Borrower or any Successor Company which theretofore shall have become a successor to the Borrower in the manner prescribed in this Section 6.02(a) from its liability with respect to any Loan Document to which it is a party.

(b) Liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution).

SECTION 6.03. Collateral Coverage Ratio. Permit as of the Amendment No. 1 Effective Date and at the time of the delivery of each Appraisal Report pursuant to Section 5.01(h)(I) the ratio (the "Collateral Coverage Ratio") of (i) the Appraised Value of the Eligible Collateral to (ii) the sum of (a) the Total Revolving Extensions of Credit then outstanding (other than LC Exposure that has been Cash Collateralized in accordance with Section 2.02(j)) plus (b) the aggregate amount of all Designated Hedging Obligations and Designated Banking Product Obligations that constitute "Obligations" then outstanding, to be less than 1.60 to 1.00 (the "Collateral Coverage Test"), provided that if, (A) upon delivery of an Appraisal Report pursuant to this Agreement and (B) solely with respect to determining compliance with this Section 6.03 and Section 6.05 as a result thereof, it is determined that the Borrower shall not be in compliance with this Section 6.03, the Borrower shall, within sixty (60) days of the date of

such Appraisal Report (an “Collateral Coverage Ratio Cure Period”), (1) designate Additional Collateral as Eligible Collateral in accordance with Section 6.05(a) (including the modification of the applicable Collateral schedules, to reflect such designation) to the extent that, after giving effect to such designation, the Appraised Value of the Eligible Collateral, based on the most recently delivered Appraisal Report with respect to assets already constituting Eligible Collateral and based on an Appraisal Report performed at (or relatively contemporaneously with) the time of such addition with respect to assets being added to Eligible Collateral, shall satisfy the Collateral Coverage Test or (2) prepay the Revolving Loans in accordance with Section 2.12(a) (or Cash Collateralize Letters of Credit in accordance with Section 2.02(j)) in an amount sufficient to enable the Borrower to comply with this Section 6.03.

SECTION 6.04. [Reserved].

SECTION 6.05. Disposition of Collateral. Dispose of, whether voluntarily or involuntarily (it being understood that loss of property due to theft, destruction, confiscation, prohibition on use or similar event shall constitute a disposal for purposes of this covenant), any Collateral or agree to do any of the foregoing in respect of the Collateral at any future time, except that:

(a) any Permitted Disposition shall be permitted at any time;

(b) so long as no Event of Default exists, the Borrower may replace Collateral with Additional Collateral (and the applicable schedule shall be modified to reflect such replacement), provided that (x) such replacement shall be made on at least a dollar-for-dollar basis based upon (A) in the case of the asset being removed from the Collateral, the Appraised Value of such Collateral (as determined by the most recently delivered Appraisal Report with respect to such Collateral) and (B) in the case of the asset being added to the Collateral, the Appraised Value of such asset (as determined by an Appraisal Report performed at (or relatively contemporaneously with) the time of such replacement), (y) prior to effecting the replacement, the Borrower shall have delivered an Officer’s Certificate to the Administrative Agent certifying compliance with Section 6.01 and this Section 6.05 and attaching to such certificate the Appraisal Report required by Section 5.09 and (z) any asset added to the Collateral shall be Eligible Collateral; and

(c) so long as no Event of Default exists or would result therefrom, the Borrower may remove an asset from the Collateral (and the applicable schedule shall be modified to reflect such removal), provided that (x) after giving effect to such removal, the Appraised Value of the remaining Eligible Collateral (as determined by an Appraisal Report of all Collateral performed at (or relatively contemporaneously with) the time of such removal) shall satisfy the Collateral Coverage Test, and (y) prior to effecting the removal, the Borrower shall have delivered an Officer’s Certificate to the Administrative Agent certifying that, and providing calculations demonstrating that, after giving effect to such removal, the Appraised Value of the Eligible Collateral shall satisfy the Collateral Coverage Test, and otherwise certifying compliance with this Section 6.05 and attaching to such certificate Appraisal Report of all Collateral obtained in connection with such removal.

At the Borrower’s request, the Lien on any asset or type or category of asset (including after-acquired assets of that type or category) that (i) has been Disposed in accordance with this Agreement or (ii) is or has become Excluded Property (as defined in the SGR Security Agreement), will, in each case, be promptly released, provided, in each case, that the following conditions are satisfied or waived: (A) no Event of Default shall have occurred and be continuing, (B) either (x) after giving effect to such release, the Appraised Value of the Eligible Collateral shall satisfy the Collateral Coverage Test, (y) the Borrower shall prepay the Revolving Loans in accordance with Section 2.12(a) (or Cash Collateralize Letters of Credit in accordance with Section 2.02(j)) in an amount required to comply with the Collateral Coverage Test, or (z) the Borrower shall deliver to the Collateral Agent Additional

Collateral in an amount required to comply with the Collateral Coverage Test (in each case without, for the avoidance of doubt, giving effect to any Collateral Coverage Ratio Cure Period), and (C) the Borrower shall deliver to the Administrative Agent an Officer's Certificate demonstrating compliance with the Collateral Coverage Test after giving effect to such release. Each of the Administrative Agent and Collateral Agent agrees to promptly provide any documents or releases reasonably requested by the Borrower to evidence any such release.

SECTION 6.06. Restricted Payments. From the Amendment No. 1 Effective Date and prior to September 30, ~~2021~~2022, declare or pay, directly or indirectly, or otherwise make any Restricted Payment or set apart any sum for the aforesaid purposes, except:

- (a) dividends in the form of capital stock or increases in the aggregate liquidation value of any preferred stock;
- (b) repurchases of Equity Interests deemed to occur upon (i) the exercise of stock options if the Equity Interests represent a portion of the exercise price thereof or (ii) the withholding of a portion of Equity Interests issued to employees and other participants under any equity compensation, retirement or voluntary severance programs of the Borrower or its Subsidiaries, in each case to cover withholding tax obligations of such persons in respect of such issuance;
- (c) Restricted Payments made pursuant to stock option plans, other benefit plans or other arrangements for management or employees of the Borrower and its Subsidiaries;
- (d) Restricted Payments to allow the cash payment in lieu of the issuance of fractional shares upon (i) the exercise of options or warrants or (ii) the conversion or exchange of Equity Interests of any such Person; and
- (e) Restricted Payments in an aggregate amount not to exceed \$25,000,000.

## SECTION 7.

### EVENTS OF DEFAULT

SECTION 7.01. Events of Default. In the case of the happening of any of the following events and the continuance thereof beyond the applicable grace period if any (each, an "Event of Default"):

- (a) any representation or warranty made by the Borrower in this Agreement or in any other Loan Document shall prove to have been false or misleading in any material respect when made and such representation, to the extent capable of being corrected, is not corrected within thirty (30) days after the earlier of (A) a Responsible Officer of the Borrower obtaining knowledge of such default or (B) receipt by the Borrower of notice from the Administrative Agent of such default; or
- (b) default shall be made in the payment of any (i) Fees or interest on the Revolving Loans and such default shall continue unremedied for more than five (5) Business Days, (ii) other amounts payable hereunder when due (other than amounts set forth in clauses (i) and (iii) hereof), and such default shall continue unremedied for more than ten (10) Business Days, or (iii) principal of the Revolving Loans or reimbursement obligations or cash collateralization in respect of Letters of Credit, when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise; or

(c) default shall be made by the Borrower in the due observance or performance of any covenant, condition or agreement contained in Section 6 hereof (subject to the Borrower's right to cure non-compliance with the covenant contained in Section 6.03 as described therein); or

(d) default shall be made by the Borrower in the due observance or performance of any other covenant, condition or agreement to be observed or performed pursuant to the terms of this Agreement or any of the other Loan Documents and such default shall continue unremedied for more than thirty (30) days from the earlier of (i) a Responsible Officer having knowledge of such default and (ii) written notice to the Borrower from the Administrative Agent of such default; or

(e) (i) failure by the Borrower or any Material Subsidiary to pay any principal of or interest on any Material Indebtedness when due (or, where permitted, within any applicable grace period), whether by scheduled maturity, required prepayment, acceleration, demand or otherwise and such default continues unremedied for five (5) Business Days after such due date or applicable grace period or (ii) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity; provided, however, that if any such failure, breach or default shall be waived or cured (as evidenced by a writing from such holder or trustee) then, to the extent of such waiver or cure, the Event of Default hereunder by reason of such failure, breach or default shall be deemed likewise to have been thereupon waived or cured; or

(f) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; or

(g) the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (f) of this Section 7.01, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing; or

(h) the Borrower or any Material Subsidiary admits in writing its inability to pay its debts; or

(i) [reserved]; or

(j) any material provision of any Loan Document shall, for any reason, cease to be valid and binding on the Borrower, or the Borrower shall so assert in any pleading filed in any court; or

(k) any final judgment in excess of \$200,000,000 (exclusive of any judgment or order the amounts of which are fully covered by insurance less any applicable deductible and as to which the insurer has been notified of such judgment and has not denied coverage) shall be rendered against the

Borrower or any of its Material Subsidiaries and the enforcement thereof shall not have been stayed, vacated, satisfied, discharged or bonded pending appeal within sixty (60) consecutive days; or

(l) any Termination Event that could reasonably be expected to result in a Material Adverse Effect shall have occurred;

then, and in every such event and at any time thereafter during the continuance of such event, the Administrative Agent may (with the consent of the Required Lenders), and at the request of the Required Lenders, the Administrative Agent shall, by written notice to the Borrower, take one or more of the following actions, at the same or different times: (i) terminate forthwith the Revolving Commitments; (ii) declare the Revolving Loans or any portion thereof then outstanding to be forthwith due and payable, whereupon the principal of the Revolving Loans and other Obligations (other than Designated Hedging Obligations and Designated Banking Product Obligations) together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding; (iii) require the Borrower promptly upon written demand to Cash Collateralize the LC Exposure; and (iv) exercise any and all remedies under the Loan Documents and under applicable law available to the Administrative Agent, Collateral Agent and the Lenders. In case of any event with respect to the Borrower described in clause (f) or (g) of this Section 7.01, the actions and events described in (i), (ii) and (iii) above shall be required or taken automatically, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Any payment received as a result of the exercise of remedies hereunder shall be applied in accordance with Section 2.17(b).

## SECTION 8.

### THE AGENTS

SECTION 8.01. Administration by Agents. (a) Each of the Lenders and each Issuing Lender hereby irrevocably appoints the Administrative Agent as its agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Each of the Lenders and each Issuing Lender hereby irrevocably appoints the Collateral Agent to act on its behalf as the collateral agent hereunder and under the Collateral Documents and authorizes the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto.

(b) Each of the Lenders and each Issuing Lender hereby authorizes each of the Administrative Agent and the Collateral Agent, as applicable, and in their sole discretion:

(i) in connection with (x) the sale or other disposition of any Collateral or (y) any release of a Lien, in each case, to the extent permitted by the express terms of this Agreement, to release a Lien granted to the Collateral Agent, for the benefit of the Secured Parties, on such asset;

(ii) with respect to the Administrative Agent only, to determine that the cost to the Borrower is disproportionate to the benefit to be realized by the Secured Parties by perfecting a Lien in a given asset or group of assets included in the Collateral and that should not be required to perfect such Lien in favor of the Collateral Agent, for the benefit of the Secured Parties; and

(iii) to enter into the other Loan Documents on terms acceptable to the Administrative Agent and to perform its respective obligations thereunder to enter into any other agreements reasonably satisfactory to the Administrative Agent granting Liens to the Collateral Agent, for the benefit of the Secured Parties, on any assets of the Borrower to secure the Obligations; and

(iv) to enter into intercreditor and/or subordination agreements in accordance with Section 6.01 on terms reasonably acceptable to the Collateral Agent and to perform its obligations thereunder and to take such action and to exercise the powers, rights and remedies granted to it thereunder and with respect thereto.

(c) Each of the parties hereto agrees that upon the date that the Discharge of Secured Obligations occurs, each of the Liens granted to the Collateral Agent, for the benefit of the Secured Parties, hereunder shall automatically be discharged and released without any further action by any Person.

(d) It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

**SECTION 8.02. Rights of Administrative Agent and Collateral Agent.** Any institution serving as the Administrative Agent or the Collateral Agent hereunder shall have the same rights and powers in their respective capacities as a Lender as any other Lender and may exercise the same as though it were not an Administrative Agent or Collateral Agent and such bank and its respective Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not an Administrative Agent or Collateral Agent hereunder.

**SECTION 8.03. Liability of Agents.**

(a) Each of the Administrative Agent and the Collateral Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder and thereunder shall be administrative in nature. Without limiting the generality of the foregoing, (i) the Administrative Agent and the Collateral Agent shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing, (ii) the Administrative Agent and the Collateral Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that each such agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.08 or in the other Loan Documents) and (iii) except as expressly set forth herein and in the other Loan Documents, the Administrative Agent and the Collateral Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the institution serving as an Administrative Agent or Collateral Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.08) or in the absence of its own gross negligence, bad faith or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Event of Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for, or have any duty to ascertain or inquire



into, (A) any statement, warranty or representation made in or in connection with this Agreement, (B) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (C) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (D) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (E) the satisfaction of any condition set forth in Section 4 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent, and (iv) each of the Administrative Agent and the Collateral Agent will not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent, or the Collateral Agent, as applicable, to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt, any action that may be in violation of the automatic stay under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect.

(b) The Administrative Agent and the Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each of the Administrative Agent and the Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each of the Administrative Agent and the Collateral Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

(c) Each of the Administrative Agent and the Collateral Agent may perform any and all of its respective duties and exercise its respective rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by such agent. The Administrative Agent and the Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers through its Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and the Collateral Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent and Collateral Agent.

**SECTION 8.04. Reimbursement and Indemnification.** Each Lender agrees (a) to reimburse on demand the Administrative Agent (and the Collateral Agent) for such Lender's Aggregate Exposure Percentage of any expenses and fees incurred for the benefit of the Lenders under this Agreement and any of the Loan Documents, including, without limitation, counsel fees and compensation of agents and employees paid for services rendered on behalf of the Lenders, and any other expense incurred in connection with the operations or enforcement thereof, not reimbursed by the Borrower and (b) to indemnify and hold harmless the Administrative Agent and the Collateral Agent and any of their Related Parties, on demand, in the amount equal to such Lender's Aggregate Exposure Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against it or any of them in any way relating to or arising out of this Agreement or any of the Loan Documents or any action taken or omitted by it or any of them under this Agreement or any of the Loan Documents to the extent not reimbursed by the Borrower (except such as shall result from its gross negligence or willful misconduct).

SECTION 8.05. Successor Agents. Subject to the appointment and acceptance of a successor agent as provided in this paragraph, each of the Administrative Agent and Collateral Agent may resign at any time by notifying the Lenders, the Issuing Lenders and the Borrower. Upon any such resignation by the Administrative Agent or the Collateral Agent, the Required Lenders shall have the right, with the consent (provided no Event of Default has occurred or is continuing) of the Borrower (such consent not to be unreasonably withheld or delayed), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent or Collateral Agent gives notice of its resignation, then the retiring Administrative Agent or Collateral Agent may, in consultation with the Borrower, on behalf of the Lenders and the Issuing Lenders, appoint a successor Administrative Agent or Collateral Agent which shall be a bank institution with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent or Collateral Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent or Collateral Agent, as applicable, and the retiring Administrative Agent or shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent or Collateral Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's or Collateral Agent's resignation hereunder, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring Administrative Agent or Collateral Agent, their respective sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as an Administrative Agent or Collateral Agent, as applicable.

SECTION 8.06. Independent Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or the Collateral Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

SECTION 8.07. Advances and Payments.

(a) On the date of each Revolving Loan, the Administrative Agent shall be authorized (but not obligated) to advance, for the account of each of the Lenders, the amount of the Revolving Loan to be made by it in accordance with its ~~3-Year~~2024 Revolving Commitment or ~~5-Year~~2023 Revolving Commitment, as applicable, hereunder. Should the Administrative Agent do so, each of the Lenders agrees forthwith to reimburse the Administrative Agent in immediately available funds for the amount so advanced on its behalf by the Administrative Agent, together with interest at the NYFRB Rate if not so reimbursed on the date due from and including such date but not including the date of reimbursement.

(b) Any amounts received by the Administrative Agent in connection with this Agreement (other than amounts to which the Administrative Agent is entitled pursuant to Sections 2.18, 2.19, 8.04 and 10.04), the application of which is not otherwise provided for in this Agreement, shall be applied in accordance with Section 2.17(b). All amounts to be paid to a Lender by the Administrative Agent shall be credited to that Lender, after collection by the Administrative Agent, in immediately available funds either by wire transfer or deposit in that Lender's correspondent account with the Administrative Agent, as such Lender and the Administrative Agent shall from time to time agree.

SECTION 8.08. Sharing of Setoffs. Each Lender agrees that, except to the extent this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders under a particular Revolving Facility, if it shall, through the exercise either by it or any of its banking Affiliates of a right of banker's lien, setoff or counterclaim against the Borrower, including, but not limited to, a secured claim under Section 506 of the Bankruptcy Code or other security or interest arising from, or in lieu of, such secured claim and received by such Lender (or any of its banking Affiliates) under any applicable bankruptcy, insolvency or other similar law, or otherwise, obtain payment in respect of its Revolving Loans or LC Exposure under such Revolving Facility as a result of which the unpaid portion of its Revolving Loans or LC Exposure thereunder is proportionately less than the unpaid portion of the Revolving Loans or LC Exposure thereunder of any other Lender (a) it shall promptly purchase at par (and shall be deemed to have thereupon purchased) from such other Lender a participation in the Revolving Loans or LC Exposure thereunder of such other Lender, so that the aggregate unpaid principal amount of each Lender's Revolving Loans and LC Exposure under such Revolving Facility and its participation in Revolving Loans and LC Exposure under such Revolving Facility of the other Lenders shall be in the same proportion to the aggregate unpaid principal amount of all Revolving Loans then outstanding and LC Exposure, in each case under such Revolving Facility, as the principal amount of its Revolving Loans and LC Exposure under such Revolving Facility prior to the obtaining of such payment was to the principal amount of all Revolving Loans outstanding and LC Exposure, in each case under such Revolving Facility, prior to the obtaining of such payment and (b) such other adjustments shall be made from time to time as shall be equitable to ensure that the Lenders under such Revolving Facility share such payment pro-rata, provided that if any such non-pro-rata payment is thereafter recovered or otherwise set aside, such purchase of participations shall be rescinded (without interest). The Borrower expressly consents to the foregoing arrangements and agrees, to the fullest extent permitted by law, that any Lender holding (or deemed to be holding) a participation in a Revolving Loan or LC Exposure acquired pursuant to this Section or any of its banking Affiliates may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower to such Lender as fully as if such Lender was the original obligee thereon, in the amount of such participation.

SECTION 8.09. Other Agents. No Agent (other than the Administrative Agent and the Collateral Agent) shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, no such Agent shall have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any such Agent in deciding to enter into this Agreement or in taking or not taking action hereunder.

SECTION 8.10. Withholding Taxes. To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any withholding tax applicable to such payment. If the Internal Revenue Service or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender for any reason, or the Administrative Agent has paid over to the Internal Revenue Service applicable withholding tax relating to a payment to a Lender but no deduction has been made from such payment, without duplication of any indemnification obligations set forth in Section 8.04, such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including any penalties or interest and together with any expenses incurred.

SECTION 8.11. Appointment by Secured Parties. Each existing and future Secured Party shall be deemed to have appointed the Administrative Agent as its agent and the Collateral Agent as its collateral agent under the Loan Documents in accordance with the terms of this Section 8 and to have acknowledged that the provisions of this Section 8 apply to such Secured Party mutatis mutandis as

though it were a party hereto (and any acceptance by such Secured Party of the benefits of this Agreement or any other Loan Document shall be deemed an acknowledgment of the foregoing).

**SECTION 8.12. Certain ERISA Matters.** (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agents and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Revolving Loans, the Letters of Credit or the Revolving Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement, and the conditions for exemptive relief thereunder are and will continue to be satisfied in connection therewith,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agents and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that:

(i) none of the Agents or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21, as amended from time to time) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least \$50,000,000, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Agents or any their respective Affiliates for investment advice (as opposed to other services) in connection with the Revolving Loans, the Letters of Credit, the Revolving Commitments or this Agreement.

(c) The Agents hereby inform the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement, (ii) may recognize a gain if it extended the Revolving Loans, the Letters of Credit or the Revolving Commitments for an amount less than the amount being paid for an interest in the Revolving Loans, the Letters of Credit or the Revolving Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

#### SECTION 9.

[RESERVED]

#### SECTION 10.

#### MISCELLANEOUS

SECTION 10.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein or under any other Loan Document shall be in writing (including by

facsimile or electronic mail (other than to the Borrower, unless agreed) pursuant to procedures approved by the Administrative Agent), and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower, to it at Delta Air Lines, Inc., 1030 Delta Boulevard, Atlanta, GA 30354, Attention of: (x) Treasurer, Dept. 856, Telecopier No.: (404) 715-3110, Telephone No.: (404) 715-5993 and (y) Chief Legal Officer, Dept. 971, Telecopier No.: (404) 715-2233, Telephone No.: (404) 715-2191;

(ii) if to JPMCB as Administrative Agent, to it at JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 500 Stanton Christiana Road, 1/NCC5, Newark, Delaware 19713, Attention of: Nicole C. Reilly (Email Address: nicole.c.reilly@jpmorgan.com), with a copy to JPMorgan Chase Bank, N.A., 383 Madison Avenue, New York, New York 10179, Attention of: Cristina Caviness (Email Address: cristina.caviness@jpmorgan.com);

(iii) if to an Issuing Lender, to it at the address most recently specified by it in notice delivered by it to the Administrative Agent and the Borrower, with a copy to the Administrative Agent as provided in clause (ii) above; and

(iv) if to any other Lender, to it at its address (or telecopy number) set forth on Schedule 2.01 hereto or, if subsequently delivered, an administrative questionnaire in a form as the Administrative Agent may require.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its reasonable discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 10.02. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Lender that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder (other than as permitted by Section 6.02(a)) without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 10.02. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Lender that issues any Letter of Credit), Participants (to the extent provided in paragraph (d) of this Section 10.02) and, to the extent expressly contemplated hereby, the Related Parties of the Administrative Agent, the Issuing Lenders and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under ~~this Agreement~~ any Revolving Facility (including all or a portion of its Revolving Commitment and the Revolving Loans under such Revolving Facility at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Administrative Agent; provided that no consent of the Administrative Agent shall be required if the assignee is a Lender or an Affiliate of a Lender;

(B) the Borrower; provided that no consent of the Borrower shall be required for an assignment (1) if an Event of Default under Section 7.01(b), Section 7.01(f) or Section 7.01(g) has occurred and is continuing or (2) if the assignee is a Lender or an Eligible Affiliate Assignee; and

(C) each Issuing Lender under such Revolving Facility; provided that no consent of any Issuing Lender shall be required if the assignee is a Lender or an Affiliate of a Lender;

(ii) Assignments shall be subject to the following additional conditions:

(A) any assignment of any portion of the Total Revolving Commitment, Revolving Loans and LC Exposure shall be made to an Eligible Assignee;

(B) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Revolving Commitment or Revolving Loans, the amount of such Revolving Commitment or Revolving Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000, and after giving effect to such assignment, the portion of the Revolving Loan or Revolving Commitment held by the assigning Lender of the same tranche as the assigned portion of the Revolving Loan or Revolving Commitment shall not be less than \$5,000,000, in each case unless the Borrower and the Administrative Agent otherwise consent, provided that any such assignment shall be in increments of \$500,000 in excess of the minimum amount described above;

(C) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one (1) Class of Revolving Commitments or Revolving Loans;

(D) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500 for the account of the Administrative Agent (unless otherwise agreed); and

(E) the assignee, if it was not a Lender immediately prior to such assignment, shall deliver to the Administrative Agent an administrative questionnaire in a form as the Administrative Agent may require.

The Administrative Agent shall not be responsible for monitoring the Disqualified Institutions list and shall have no liability for non-compliance by any Lender. The Disqualified Institutions list shall be made available to any Lender upon request to the Administrative Agent.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section 10.02, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.16 and 10.04). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.02 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(iv) The Administrative Agent shall maintain at its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolving Commitments of, and principal amount (and stated interest) of the Revolving Loans and LC Disbursements under each Revolving Facility owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, the Issuing Lenders and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Lenders and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Notwithstanding anything to the contrary contained herein, no assignment may be made hereunder to any Defaulting Lender or any of its subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (v).

(vi) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment will be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Revolving Loans under each applicable Revolving Facility previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Borrower, Administrative Agent, the Issuing Lender and each other Lender under each applicable Revolving Facility (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Revolving Loans and participations in Letters of Credit in accordance with its Aggregate Exposure Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder becomes effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest will be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(c) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed administrative questionnaire in a form as the



Administrative Agent may require (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.02(d) or (e), 2.04(a), 8.04 or 10.04(c), the Administrative Agent shall have no obligation to accept such Assignment and Acceptance and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(d) (i) Any Lender may, without the consent of the Borrower, the Administrative Agent or any Issuing Lender, sell participations to one or more banks or other entities (other than a Disqualified Institution to the extent the Disqualified Institutions list is made available to any Lender upon request to the Administrative Agent) (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Revolving Commitment and the Revolving Loans); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Issuing Lenders and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.08(a) that affects such Participant. Subject to paragraph (d)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.08 as though it were a Lender, provided such Participant agrees to be subject to the requirements of Section 8.08 as though it were a Lender. Each Lender that sells a participation, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Revolving Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Revolving Commitments, Revolving Loans, Letters of Credit or its other obligations under this Agreement or any Loan Document) except to the extent that such disclosure is necessary to establish that such Revolving Commitment, Revolving Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender, the Borrower and the Administrative Agent shall treat each person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.16 unless such Participant agrees, for the benefit of the Borrower, to comply with Sections 2.16(f), 2.16(g), 2.16(h) and 2.18 as though it were a Lender.

(e) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank or any central bank having jurisdiction over such Lender, and this Section 10.02 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 10.02, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that prior to any such disclosure, each such assignee or participant or proposed assignee or participant are advised of and agree to be bound by either the provisions of Section 10.03 or other provisions at least as restrictive as Section 10.03.

SECTION 10.03. Confidentiality. Each Lender and each Agent agrees to keep any information delivered or made available by or on behalf of the Borrower to it confidential, in accordance with its customary procedures, from anyone other than persons employed or retained by such Lender or Agent who are or are expected to become engaged in evaluating, approving, structuring or administering the Revolving Loans, and who are advised by such Lender or Agent of the confidential nature of such information; provided that nothing herein shall prevent any Lender or Agent from disclosing such information (a) to any of its Related Parties and their respective agents, legal counsel, auditors and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential, and the applicable Lender or Agent shall be responsible for compliance by such Persons with such obligation) or to any other Lender, (b) upon the order of any court or administrative agency, (c) upon the request or demand of any regulatory agency or authority (including in connection with any audit or examination by a bank examiner exercising examination or regulatory authority over such Lender or Agent), (d) which has been publicly disclosed other than as a result of a disclosure by any Lender or Agent which is not permitted by this Agreement, (e) in connection with any litigation to which any Lender or Agent, or their respective Affiliates may be a party to the extent reasonably required, (f) to the extent reasonably required in connection with the exercise of any remedy hereunder, (g) with the Borrower's consent, (h) to any nationally recognized rating agency that requires access to information about a Lender or Agent's investment portfolio in connection with ratings issued with respect to such Lender or Agent and (i) to any actual or proposed participant or assignee of all or part of its rights hereunder or to any direct or indirect contractual counterparty (or the professional advisors thereto) to any swap or derivative transaction relating to the Borrower and its obligations, in each case, (i) other than a Disqualified Institution and (ii) subject to the proviso in Section 10.02(f) (with any reference to any assignee or participant set forth in such proviso being deemed to include a reference to such contractual counterparty for purposes of this Section 10.03(g)). If any Lender or Agent is in any manner requested or required to disclose any of the information delivered or made available to it by the Borrower under clauses (b) or (e) of this Section, such Lender or Agent will, to the extent permitted by law, provide the Borrower with prompt notice, to the extent reasonable, so that the Borrower may seek, at its sole expense, a protective order or other appropriate remedy or may waive compliance with this Section. In addition, any Lender or Agent may disclose information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry.

SECTION 10.04. Expenses; Indemnity; Damage Waiver. (a) (i) The Borrower shall pay or reimburse: (b) all reasonable fees and reasonable out-of-pocket expenses of the Administrative Agent and the Arrangers (limited in the case of legal fees and expenses, to the reasonable fees, disbursements and other charges of Simpson Thacher & Bartlett LLP, as counsel to the Administrative

Agent) associated with the syndication of the credit facilities provided for herein, and the preparation, execution, delivery and administration of the Loan Documents and (in the case of the Administrative Agent) any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated); and (c) all fees and out-of-pocket expenses of the Administrative Agent and the Lenders (limited in the case of legal fees and expenses, to one (1) outside counsel to the Administrative Agent and the Lenders, taken as a whole (and, in the case of an actual or perceived conflict of interest, an additional counsel to all such similarly situated affected parties)) in connection with the enforcement of the Loan Documents.

(ii) The Borrower shall pay or reimburse (A) all reasonable fees and reasonable expenses of the Administrative Agent and the Appraisers incurred in connection with the Administrative Agent's (x) periodic appraisals and (y) other monitoring of Collateral as allowed hereunder and (B) all reasonable fees and reasonable expenses of the Issuing Lenders in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand or any payment thereunder.

(iii) All payments or reimbursements pursuant to the foregoing clauses (a)(i) and (ii) shall be paid within thirty (30) days of written demand together with back-up documentation supporting such reimbursement request.

(b) The Borrower shall indemnify each Agent, the Issuing Lenders and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (limited in the case of legal fees and expenses, to one (1) outside counsel to all Indemnitees, taken as a whole (and, in the case of an actual or perceived conflict of interest, an additional counsel to all such similarly situated affected Indemnitees)) incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Revolving Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) in connection with clauses (i) and (ii) above, any Release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related to or asserted against the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto and whether or not the same are brought by the Borrower, its equity holders, affiliates or creditors or any other Person; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to (x) have resulted from the material breach of the obligations of such Indemnitee under the Loan Documents or the bad faith, gross negligence or willful misconduct of such Indemnitee or (y) arise from disputes solely among the Indemnitees (other than any dispute involving claims against any Person in its capacity as an Agent or similar role hereunder) that do not involve an act or omission by the Borrower or any of its Subsidiaries. For the avoidance of doubt, no Indemnitee shall be liable for any damages arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems, except to the extent any such damages are found by a final non-appealable judgment of a court of competent jurisdiction to arise from the gross negligence or willful misconduct of such Indemnitee. This Section 10.04(b) shall not apply with respect to Taxes other than Taxes that represent losses or damages arising from any non-Tax claim.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent or an Issuing Lender under paragraph (a) or (b) of this Section 10.04, each Lender severally agrees to pay to the Administrative Agent or the applicable Issuing Lender, as the case may be, such portion of the unpaid amount equal to such Lender's Aggregate Exposure Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or the applicable Issuing Lender in its capacity as such.

(d) To the extent permitted by applicable law, neither the Borrower nor any Indemnitee shall have any liability for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Revolving Loan or Letter of Credit or the use of the proceeds thereof (other than in respect of such damages incurred or paid by an Indemnitee to a third party).

SECTION 10.05. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York sitting in New York County, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall, to the extent permitted by law, be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section 10.05. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 10.06. No Waiver. No failure on the part of the Administrative Agent or the Collateral Agent or any of the Lenders to exercise, and no delay in exercising, any right, power or remedy hereunder or any of the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

SECTION 10.07. Extension of Maturity. Should any payment of principal of or interest or any other amount due hereunder become due and payable on a day other than a Business Day,

the maturity thereof shall be extended to the next succeeding Business Day and, in the case of principal, interest shall be payable thereon at the rate herein specified during such extension.

SECTION 10.08. Amendments, etc.

(a) Except as set forth in Section 2.09 or as otherwise set forth in this Agreement, no modification, amendment or waiver of any provision of this Agreement, and no consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders (or signed by the Administrative Agent with the consent of the Required Lenders), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given; provided, however, that no such modification or amendment shall without the prior written consent of:

(i) each Lender directly and adversely affected thereby (A) increase the Revolving Commitment of any Lender or extend the termination date of the Revolving Commitment of any Lender (it being understood that a waiver of an Event of Default shall not constitute an increase in or extension of the termination date of the Revolving Commitment of a Lender), or (B) reduce the principal amount of any Revolving Loan, any reimbursement obligation in respect of any Letter of Credit, or the rate of interest payable thereon (provided that only the consent of the Required Lenders shall be necessary for a waiver of default interest referred to in Section 2.08), or extend any date for the payment of principal, interest or Fees hereunder or reduce any Fees payable hereunder or extend the final maturity of the Borrower's obligations hereunder or (C) amend, modify or waive any provision of Sections 2.17(b) or (e);

(ii) all of the Lenders (A) amend or modify any provision of this Agreement which provides for the unanimous consent or approval of the Lenders or (B) amend this Section 10.08 that has the effect of changing the number or percentage of Lenders that must approve any modification, amendment, waiver or consent or modify the percentage of the Lenders required in the definition of Required Lenders;

(iii) (x) the Required ~~3-Year~~2024 Lenders in addition to the Required Lenders to change the definition of the term "Required ~~3-Year~~2024 Lenders" and (y) the Required ~~5-Year~~2023 Lenders in addition to the Required Lenders to change the definition of the term "Required ~~5-Year~~2023 Lenders"; and

provided further, that any waiver, amendment or modification of this Agreement that by its terms affects the rights or duties under this Agreement of one (1) Class of Lenders (but not of any other Class of Lenders) may be effected by an agreement or agreements in writing entered into by the Borrower and the requisite percentage in interest of the affected Class of Lenders that would be required to consent thereto under this section if such Class of Lenders were the only Class of Lenders hereunder at the time.

(b) No such amendment or modification shall adversely affect the rights and obligations of the Administrative Agent or any Issuing Lender hereunder without its prior written consent.

(c) No notice to or demand on the Borrower shall entitle the Borrower to any other or further notice or demand in the same, similar or other circumstances. Each assignee under Section 10.02(b) shall be bound by any amendment, modification, waiver, or consent authorized as provided herein, and any consent by a Lender shall bind any Person subsequently acquiring an interest on the Revolving Loans held by such Lender. No amendment to this Agreement shall be effective against the Borrower unless signed by the Borrower.

(d) Notwithstanding anything to the contrary contained in Section 10.08(a), (i) in the event that the Borrower requests that this Agreement be modified or amended in a manner which would require the unanimous consent of all of the Lenders or the consent of all Lenders directly and adversely affected thereby and, in each case, such modification or amendment is agreed to by the Required Lenders or the Required ~~3-Year~~2024 Lenders or Required ~~5-Year~~2023 Lenders, as applicable, then the Borrower may replace any non-consenting Lender in accordance with Section 10.02; provided that such amendment or modification can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Borrower to be made pursuant to this clause (i)); (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Revolving Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that the Revolving Commitment and the outstanding Revolving Loans or other extensions of credit held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders), (iii) notwithstanding anything to the contrary herein, any Extension Agreement effected in accordance with Section 2.29 may be made without the consent of the Required Lenders and (iv) if the Administrative Agent and the Borrower shall have jointly identified any ambiguity, mistake, typographical error or other obvious error or any error or omission of a technical or immaterial nature in any provision of the Loan Documents (including the exhibits and schedules thereto), then the Administrative Agent and the Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Document.

(e) In addition, notwithstanding anything to the contrary contained in Section 10.08(a), with the written consent of the Administrative Agent (not to be unreasonably withheld or delayed), the Borrower and the lenders providing the relevant Refinancing Revolving Facility, this Agreement and, as appropriate, the other Loan Documents, may be amended as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, (x) to permit the creation hereunder of any such Refinancing Revolving Facility and the incurrence of the related Refinancing Debt (any such amendment, a "Refinancing Amendment") and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders, Required ~~3-Year~~2024 Lenders and/or Required ~~5-Year~~2023 Lenders, as applicable. The effectiveness of any Refinancing Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 4.02 (other than, with respect to Section 4.02(b), the representations and warranties set forth in Sections 3.04(b) and 3.06(a)) (it being understood that all references to the making or borrowing of Revolving Loans or the issuance of Letters of Credit or similar language in such Section 4.02 shall be deemed to refer to the effective date of such Refinancing Amendment) and such other conditions as the parties thereto shall agree.

(f) In addition, notwithstanding anything to the contrary contained in Section 10.08, the Borrower may from time to time deliver to the Administrative Agent an updated Schedule 6.05 to replace the then-existing Schedule 6.05 in connection with (x) any disposition, transfer or removal by the Borrower or any Subsidiary of the Borrower of any Pool Asset pursuant to Section 6.05 or (y) any designation of Additional Pool Assets as Pool Assets as contemplated by the definition of Additional Pool Assets set forth in Section 1.01 hereof.

**SECTION 10.09. Severability.** Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10.10. Headings. Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

SECTION 10.11. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Revolving Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Lender or any Lender may have had notice or knowledge of any Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Revolving Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Revolving Commitments have not expired or terminated. The provisions of Sections 2.14, 2.15, 2.16 and 10.04 and Section 8 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Revolving Loans, the expiration or termination of the Letters of Credit and the Revolving Commitments, or the termination of this Agreement or any provision hereof.

SECTION 10.12. Execution in Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronic .pdf copy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.13. USA Patriot Act. Each Lender that is subject to the requirements of the Patriot Act hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

SECTION 10.14. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 10.15. No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "Lenders"), may have economic interests that conflict with those of the Borrower, its stockholders and/or its affiliates. The Borrower agrees that nothing in the Loan Documents or otherwise related to the Transactions will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and the Borrower, its stockholders or its affiliates, on the other hand. The parties hereto acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Borrower and its Subsidiaries, on the other hand, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise the Borrower, its stockholders or its affiliates on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of the Borrower, its management, stockholders, affiliates, creditors or any other Person. The Borrower acknowledges and agrees that the Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower, in connection with such transaction or the process leading thereto.

SECTION 10.16. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
  - (i) a reduction in full or in part or cancellation of any such liability;
  - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
  - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 10.17. Registrations with International Registry. Each of the parties hereto (i) consents to the registrations with the International Registry of the International Interest constituted by the Aircraft Mortgage, and (ii) covenants and agrees that it will take all such action reasonably requested by Borrower or Administrative Agent in order to make any registrations with the International Registry,



including without limitation establishing a valid and existing account with the International Registry and appointing an Administrator and/or a Professional User reasonably acceptable to the Administrative Agent to make registrations with respect to the Aircraft Collateral and providing consents to any registration as may be contemplated by the Loan Documents.

*[Remainder of Page Intentionally Left Blank]*

Description of Certain Benefits  
of Members of the Board of Directors and Executive Officers

Delta provides certain flight benefits to members of its Board of Directors and provides certain benefits to its executive officers. Delta reserves the right to change, amend or terminate these programs, consistent with their terms, at any time for any reason for both active and retired directors and employees.

**Flight Benefits:** As is common in the airline industry, Delta provides complimentary travel and certain Delta Sky Club privileges for members of the Board of Directors; executive officers; the director's or officer's spouse, domestic partner or designated companion (including, in certain circumstances, the director's or officer's surviving spouse or domestic partner); the director's or officer's children and parents; and, to a limited extent, other persons designated by the director or officer ("Flight Benefits"). Complimentary travel for such other persons is limited to an aggregate imputed value of \$35,000 per year for the CEO and President; \$20,000 per year for directors; \$15,000 per year for executive vice presidents; and \$12,500 per year for senior vice presidents. Delta reimburses directors and officers for associated taxes on complimentary travel with an imputed tax value of up to \$40,000 per year for the CEO and President; \$25,000 per year for directors; \$20,000 per year for executive vice presidents; and \$17,500 per year for senior vice presidents. Unused portions of the annual allowances described in the previous two sentences accumulate and may be carried into succeeding years during Board service or employment.

A director who retires from the Board at or after age 52 with at least 10 years of service as a director, at or after age 68 with at least five years of service as a director, or at his mandatory retirement date, may continue to receive Flight Benefits during retirement, except the unused portion of the annual allowances does not accumulate into succeeding years ("Retired Director Flight Benefits"). A director who served on the Board of Directors during the period beginning on the date Delta entered into the merger agreement with Northwest and ending on the date the merger occurred, or who joined the Board of Directors on the date the merger occurred, will receive, at the completion of his Board service (other than due to death or due to removal by stockholders for cause), a vested right to Retired Director Flight Benefits, regardless of the director's age and years of service when his Board service ends. A director is not eligible to receive Retired Director Flight Benefits if the director engages in certain wrongful acts. The director designated by the Delta Master Executive Council, the governing body of the Delta unit of the Air Line Pilots Association, International, does not receive Flight Benefits or Retired Director Flight Benefits.

An executive officer who retires from Delta (i) at or after age 52 with at least 10 years of service, or (ii) at any age with at least 25 years of service (with at least 10 years of consecutive service from the officer's most recent date of hire), may continue to receive Flight Benefits during retirement, except the unused portion of the annual allowances does not accumulate into succeeding years ("Retired Officer Flight Benefits"). An executive officer whose (i) employment is terminated without cause or for any other reason that would entitle that person to benefits under Delta's Officer and Director Severance Plan ("Severance Plan") and (ii) combined age and years of service equal 60 or more will be eligible for the Retired Officer Flight Benefits. In addition, for an executive officer that becomes eligible for benefits under Severance Plan but

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does not meet the definition of retirement or whose combined age and years of service do not equal at least 60, the executive officer will receive an allotment of 32 one-way positive-space flight passes after expiration of the Flight Benefits available under the Severance Plan. This allotment will continue until the fifth anniversary of the executive officer's severance date or, if the officer has less than five years of service with Delta, the number of months the officer was employed with Delta. In exchange for certain non-competition, non-solicitation and confidentiality covenants for the benefit of Delta and a general release of claims against Delta, an officer who served in that capacity during the period beginning on the date Delta entered into the merger agreement with Northwest and ending on the date on which the merger occurred or who joined Delta from Northwest on the date the merger occurred and who had been a Northwest officer on the date Delta entered into the merger agreement, will receive, on his termination of employment (other than by death or by Delta for cause), a vested right to Retired Officer Flight Benefits, regardless of the officer's age and years of service at his termination of employment.

Notwithstanding the foregoing, a person who is first elected to the Board of Directors or as an officer on or after June 8, 2009, will not receive reimbursement for taxes for Retired Director Flight Benefits or Retired Officer Flight Benefits, respectively. Delta also does not provide any reimbursement for taxes associated with travel by the surviving spouse or domestic partner of any director or officer.

Annual Physicals: Delta requires executive officers to obtain a comprehensive annual physical examination. Delta pays the cost of this required examination, which is limited to a prescribed set of preventive procedures based on the person's age and gender.

**SUBSIDIARIES OF DELTA AIR LINES, INC.**  
as of December 31, 2021

NAME OF SUBSIDIARY	JURISDICTION OF INCORPORATION OR ORGANIZATION
Aero Assurance Ltd.	Vermont
DAL Global Technology Hub LLP	India
Delta Flight Products, LLC	Delaware
Delta Material Services, LLC	Delaware
Delta Professional Services, LLC	Delaware
Delta Vacations, LLC	Minnesota
Endeavor Air, Inc.	Georgia
Epsilon Trading, LLC	Delaware
MIPC, LLC	Delaware
Monroe Energy, LLC	Delaware
New Sky, Ltd.	Bermuda
SkyMiles Holdings Ltd.	Cayman Islands
SkyMiles IP Finance Ltd.	Cayman Islands
SkyMiles IP Holdings Ltd.	Cayman Islands
SkyMiles IP Ltd.	Cayman Islands

Certain subsidiaries were omitted pursuant to Item 601(b)(21)(ii) of Regulation S-K.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1)Registration Statement No. 333-142424 on Form S-8 pertaining to the Delta Air Lines, Inc. 2007 Performance Compensation Plan,
- (2)Registration Statement No. 333-149308 on Form S-8 pertaining to the Delta Air Lines, Inc. 2007 Performance Compensation Plan,
- (3)Registration Statement No. 333-154818 on Form S-8, as amended by Post-Effective Amendment No.1 thereto, pertaining to the Delta Air Lines, Inc. 2007 Performance Compensation Plan,
- (4)Registration Statement No. 333-151060 on Form S-8 pertaining to the Northwest Airlines Corporation 2007 Stock Incentive Plan,
- (5)Registration Statement No. 333-212525 on Form S-8 pertaining to the Delta Air Lines, Inc. Performance Compensation Plan,
- (6)Registration Statement No. 333-229720 on Form S-3 pertaining to common stock,
- (7)Registration Statement No. 333-230087 on Form S-3 pertaining to debt securities and
- (8)Registration Statement No. 333-238725 on Form S-3 pertaining to debt, equity and other securities;

of our reports dated February 11, 2022, with respect to the consolidated financial statements of Delta Air Lines, Inc., and the effectiveness of internal control over financial reporting of Delta Air Lines, Inc. included in this Annual Report (Form 10-K) of Delta Air Lines, Inc. for the year ended December 31, 2021.

s/ Ernst & Young LLP

Atlanta, Georgia

February 11, 2022

I, Edward H. Bastian, certify that:

1. I have reviewed this annual report on Form 10-K of Delta Air Lines, Inc. ("Delta") for the annual period ended December 31, 2021;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Delta as of, and for, the periods presented in this report;
4. Delta's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Delta and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Delta, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of Delta's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in Delta's internal control over financial reporting that occurred during Delta's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Delta's internal control over financial reporting; and
5. Delta's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Delta's auditors and the Audit Committee of Delta's Board of Directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Delta's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Delta's internal control over financial reporting.

February 11, 2022

/s/ Edward H. Bastian

Edward H. Bastian  
Chief Executive Officer

I, Daniel C. Janki, certify that:

1. I have reviewed this annual report on Form 10-K of Delta Air Lines, Inc. ("Delta") for the annual period ended December 31, 2021;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Delta as of, and for, the periods presented in this report;
4. Delta's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Delta and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Delta, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of Delta's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in Delta's internal control over financial reporting that occurred during Delta's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Delta's internal control over financial reporting; and
5. Delta's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Delta's auditors and the Audit Committee of Delta's Board of Directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Delta's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Delta's internal control over financial reporting.

February 11, 2022

/s/ Daniel C. Janki

Daniel C. Janki

Executive Vice President and Chief Financial Officer

February 11, 2022  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Ladies and Gentlemen:

The certifications set forth below are hereby submitted to the Securities and Exchange Commission pursuant to, and solely for the purpose of complying with, Section 1350 of Chapter 63 of Title 18 of the United States Code in connection with the filing on the date hereof with the Securities and Exchange Commission of the annual report on Form 10-K of Delta Air Lines, Inc. ("Delta") for the annual period ended December 31, 2021 (the "Report").

Each of the undersigned, the Chief Executive Officer and the Executive Vice President and Chief Financial Officer, respectively, of Delta, hereby certifies that, as of the end of the period covered by the Report:

1. such Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Delta.

Edward H. Bastian

Edward H. Bastian  
Chief Executive Officer

Daniel C. Janki

Daniel C. Janki  
Executive Vice President and Chief Financial Officer